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Rendimento Mínimo e Inclusão Ativa.

Com este número pretende-se contribuir para enriquecer o debate sobre o rendimento mínimo e a promoção de uma inclusão ativa que fomente o empowerment e o emprego de qualidade, garantindo ao mesmo tempo mínimos sociais dignos para aqueles que se encontram mais distantes do mercado de trabalho.

Artigos de: Sian Jones e Amana Ferro, John Veit-Wilson, Iver Moller, Marc Fourdrignier, Equipa de Estudos Prospectivos e Censuração de Políticas do GEP, Carlos Farinha Rodrigues, Patricia Grilo.

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Para mais informações contactar:

Tel: 225 420 805



Contactos

Rua de Costa Cabral, nº 2368
 4200-218 Porto
 PORTUGAL

Telefone: +351 225 420 800

Fax: +351 225 403 250

Email: geral@eapn.pt

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**ACTIVE INCLUSION AND MINIMUM INCOMES —
IMPLICATIONS FOR POLICY AT A TIME OF CRISIS?**

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John Veit-Wilson

What does 'active inclusion' mean? In whose interests is it promoted? The answers depend on whom you ask. In today's context the phrase comes from EU acceptance of the EC Recommendation 2008/867/EC (3 October 2008) "on the active inclusion of people excluded from the labour market". The aim is to "support the employment of those who can work", to provide "the resources required for a dignified life", and to "promote the social participation of those who cannot work". To be successful, this approach depends on the willingness of governments to exercise the political will and power to ensure that (1) there is decently paid work under good conditions available for everyone able to do it, (2) existing resources are distributed so that everyone has at least enough for a dignified life in society, and (3) everyone who cannot work or find it has their social participation promoted whatever their position in society. Without the exercise of such political will and power 'active inclusion' remains among those good intentions on the European agenda which cannot be criticised but has no prospect of being activated at a time of economic crisis created by the rich and paid for by the poor.

Ask instead what meaning people who experience poverty and social exclusion throughout Europe would give to the phrase. Would they give 'active inclusion' such a narrow and weak meaning? For narrow and weak is how we should describe any policy which defines inclusion only in terms and on conditions chosen by the rich and powerful who are not affected by the crisis.

Look at these conditions. "Inclusion in the labour market" has nothing to do with people's inherent humanity deserving recognition and respect and everything to do with the usefulness and profitability of a worker to an employer. Self-employed workers, too, have to offer something for which there is a market demand rewarded by an income sufficient to live on. Focusing on lack of skills as active inclusion policies do is fatuous when so many unemployed people with excellent education and skills cannot find work because the private sector cannot make profits out of employing them in current market conditions, and the public sector now has no money to employ them. The EC Recommendation refers to the promotion of inclusive labour markets, of quality jobs and tackling segmentation, but instead international financial agencies very actively discourage governments from deficit budgeting to revive demand for the products of employment and insist on expenditure cuts which reduce labour demand even more. Furthermore, in some EU countries labour markets actively export production, down-skill labour and reduce wages to compete globally. Talking as if the only thing needed to lift unemployed people out of poverty is to 'activate' them in these conditions is an insult. They don't need activation: they need decent job offers.

The weak meanings of adequate resources for a dignified life or the promotion of social participation are similarly seen in the way that governments are cutting not only the real value of wages, pensions and other benefits, but also expenditures on public cultural and social infrastructures and services which enable millions to achieve the social inclusion which cannot be bought in markets

at all, or not on their incomes. In the UK, the current conservative-led coalition government explicitly favours reducing the role of the state and cutting public expenditure. It is actively using the crisis to achieve this ideological goal, and its approach to unemployment is to cut benefits and services and blame people in poverty for their condition. Such a neo-liberal government has no intention of implementing the spirit or letter of the EC Recommendation. The increasingly rich oligarchies who run both government and business (and are interchangeable between them) are naturally left untouched by these cuts despite their empty rhetoric that “we are all in this together”. Thus the meanings of a dignified life or social participation are weakened and restricted by governments unwilling to increase what they allow for the less affluent sections of populations because of a belief in the need for ‘work incentives’.

What would strong meanings look like? Active inclusion in its real sense is naturally what everyone in the battle against poverty wants. That must mean including everyone in society, however low their incomes and other resources, not only those who may be of interest to employers now or in the future. The strong meaning of inclusion means having enough income and other resources to be able to take a full part in society according to society’s standards of a decent, socially-inclusive life. Inclusion means being recognised and respected as a full member of society irrespective of educational qualifications, skills or income. European history suggests that members of ethnic, religious or other minorities subject to discrimination if they are poor often achieve recognition and respect when they are rich, even in spite of conditions which in low income people are often described as ‘causes of poverty’. Being rich enough not to be forced to work for an employer is everyone’s aspiration in European society. Gambling offers a chance of the early retirement from the labour market flaunted by ‘celebrities’ in the media. Lack of education or employable skills has never stopped the aristocracy or other property owners from enjoying social participation. Nor do old age, drug or alcohol addictions, broken families or other commonly cited factors like these prevent social participation among those rich enough to buy their way out of life’s common problems. Even members of the UK’s monarchy fall into debt but continue to be socially included. Such conditions are common experiences right across society, irrespective of income, and there is scarcely a single condition of this kind which cannot be overcome by enough money. Be very clear: unemployment and other common conditions do not in themselves *cause* poverty but their consequences are much worse if people have no money or other resources, such as when there are no effective systems of adequate social security to share the economic risks of their occurring or of social services to care for their victims. But if wage rates are low, then poverty occurs even when people are in work — in the UK more than half of all children in poverty (by the common EU measure of living in a household whose income is below 60% of median equivalised household incomes) live in households where at least one member is in work.

The real problem is not lack of work but lack of decent adequate incomes in and out of work. What every human being needs in every society are the three essential Rs, Recognition, Respect and Resources. Active inclusion in its strong sense means satisfying the 3Rs for everybody, a meaning with which people experiencing poverty and exclusion would identify.

What most people need for inclusion, however, is not to become rich but to have just enough to live what people in their country or society agree is a normal dignified life, one in which they feel

included and respected. How much income does that take? The EC Guidelines on Adequate Income Support refer to determining and taking account of “the resources necessary to lead a life of dignity”, but they also state that “within an active inclusion framework an incentive to seek employment ... should be safeguarded”, meaning that income for dignified life must be below the lowest wages employers are willing to pay. This apparent contradiction needs serious examination. There are two problems.

First, when governments insist we are enjoying dignified inclusion even if we live in low-paid poverty they are not perverse, they are reflecting a European conservative tradition from feudal times which believes that anyone in work at whatever low level of income is thereby ‘included’ in society and by definition has a dignified life. In this hierarchical feudal model of society, recognition and respect are given by the rulers to able-bodied poor people only for their work; there is no implication of rights to resources for inclusion as social equals. More than a century ago the German sociologist Georg Simmel described how this poverty of the ‘included’ is simply ‘ordinary’ poverty; the ‘real problem’ was not poor people as such but workless people who claim benefits. In the past they were known as paupers, and even today they are still defined as ‘receivers’ and not as contributors to society even though they too pay a variety of taxes. For the proponents of this conservative view, poor children and old and sick people deserve charity but all able-bodied working class adults must be made to work and deterred from claiming adequate support. From this perspective, poverty is normal in society and cannot be abolished; its active inclusion model is centuries old, from when the first agricultural labour market crises revealed paid work was not always offered by the rulers or the rising bourgeoisie.

By contrast, a different European tradition since the 18th century Enlightenment and the French Revolution’s expressions of universal human rights treats everyone as inherently social equals with rights to recognition and respect, with a responsibility to work and a right to support if there is no demand for labour. Responsibilities to society and rights to support similarly imply adequacy of resources for inclusion, not just incomes but the necessities for health, housing, education and active promotion of demand for labour. Hence poverty should and could be abolished if everybody, even in the worst paid jobs, were paid at least enough for social inclusion, as they have a human right to be.

The feudal conservative approach to social inclusion and the individualistically liberal or collectively social-democratic approach could not be more starkly opposed. For conservatives (and neo-liberal economists) active inclusion weakly means inclusion in the labour market but not equal inclusion in society as widely understood. But others understand the strong meaning of active inclusion as dignity in society and not only in the labour market. In modern marketised consumerised society, having enough money is indispensable for social inclusion, so rich people’s belief that adequate income is not essential for inclusion and dignity is understandably not shared by most ordinary people. Both feudal and democratic ideologies are simultaneously represented in EU rhetoric and EC activity, and even by some NGOs for (but not of) poor people, but their conflict is generally unacknowledged.

The second problem is what the EC means by the income level needed for a dignified life. Germany exemplifies this conflict. Its constitution (*Grundgesetz*) guarantees human dignity but claimants report the levels of *Hartz IV* unemployment benefits and social assistance do not provide enough for inclusion. The dignity standard used by the German government is the average level of

living of those workers and pensioners in the lowest quintile of the income distribution who do not receive such benefits. The constitutional court ruled on appeals not that benefits are too low but that the government has not shown they are high enough for dignity. But there cannot be a normative budget formula for the cost of dignity.

There is only one defensible approach to discovering what is needed in a particular social context to meet the EU 'right to adequate resources' for a dignified and inclusive life, and that is to ask the population as a whole about its minimum standards. Inclusion standards cannot be prescribed by rich people nor derived only from studies of people living in poverty (though they can say what is not enough). Several robust and reliable survey methods are available, but chief among them is the Minimum Income Standards (MIS) approach developed in the UK during the last decade (Bradshaw et al, 2008). Few such surveys have been carried out in other countries yet, but if university research plans in Portugal are successful they may develop Portuguese MIS against which to measure the extent of experienced poverty and the adequacy of the RSI. In the UK, comparisons show that the MIS required for inclusion for most household types are currently above 70% of median household incomes (Davis 2010), suggesting that the conventional EU poverty standard of 60% is not enough, even if it is higher than most minimum income schemes in the EU.

MIS are criteria of adequacy for dignified inclusion; they are not benefit levels. There is a contradiction in the EC belief that actual wage levels must drive income adequacy standards and that benefits must always be below the levels of wages paid by profit-oriented employers. Leaving aside the question of variable numbers of household members (chiefly children) which wage rates cannot accommodate, emphasising cash incentives reveals ignorance of the social meanings of work as inclusion. What might an active inclusion policy look like if it were driven by standards derived not from the private-profit labour market but from the dominant social values of the whole of society? It is well-known that services intended only for poor people are usually poor services, but services intended for all have to satisfy most people and are thus better services. So which should 'the welfare state' provide? Scholars have long argued about 'the role of the state' as if this were some entity against civil society, the people, instead of being nothing more than a manifestation of the power of ruling oligarchies which in some countries did indeed oppress people. But Nordic history shows that people there insist it is *their* state, not the rulers' state. The consequence of their social-democratic approach is that all must contribute so that all can benefit. This is a model of the inclusive society absent from the UK government's conservative neo-liberal vision, and hardly visible in traditional hierarchical states where rich people are unwilling to bear their fair share of progressive taxes to pay for the active inclusion of everybody in the EC's 'quality services', which with adequate incomes are essential for social inclusion.

While politicians claim the state cannot afford to do more and that cuts affecting the poorer sections of society are the only way of protecting the economy, we have to ask in whose sectional interests these policies are followed. To those who care about active inclusion, about minimum incomes for dignified life, about a "comprehensive, consistent drive to combat social exclusion", the evidence suggests that it is not the poorest (or even what in the UK is described as the hard-pressed middle income groups) but those at the top of the income scale who gain most from the economic and

political crises now used by governments to widen and not reduce the inequalities within European societies. We have to keep asking the fundamental question, *whose state is it, after all?*

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The author.

John Veit-Wilson is Emeritus Professor of Social Policy of Northumbria University, Visiting Professor in Sociology at Newcastle University and an Academician of Social Sciences. He is the author of *Setting Adequacy Standards: How governments define minimum incomes* (Policy Press, Bristol, 1998) and was a founding member of the UK's *Child Poverty Action Group*, of which he is vice-chair. Selected publications including his book are available on <http://www.staff.ncl.ac.uk/j.veit-wilson/> . Email: <john.veit-wilson@ncl.ac.uk>.
