

# Varieties of universalism

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1. What is universalism?
2. What is not universalism?
3. Degree of universalism
4. Mixed economy of welfare
5. What are the blessings of universalism
6. Which deviances cause which threats

# 1. What is universalism? (programme level)

## Anttonen 2002

- 1) *rights* to benefits or services,
- 2) that are tax financed,
- 3) uniform throughout the country,
- 4) defined by compulsory legislation,
- 5) designed for the entire population,
- 6) who have equal access, and
- 7) the majority of whom are users

## Kangas & Palme 2005

(not definition)

1. coverage (=5-7)
2. **generosity**

## Goul Andersen 1999

- 1) Eligibility and entitlements **clearly defined rights**, not a matter of discretion
- 2) Rules apply to all **citizens**/residents who could be relevant beneficiaries
- 3) Financed by general **taxes**, not by contributions
- 4) Benefits almost the **same for all citizens**; nobody excluded by means-testing
- 5) **Benefits are adequate (for full citizenship)**

**2011: 6) Inclusiveness** (outcome)

If we take account of mixed economy of welfare state:

Equivalence criterion

## 2. What is not universalism?

- **Rights** = Nearly all benefits have become universal on this dimension
- All (relevant) **citizens** + **taxes**. Can a Ghent system of UI be universal?
- **Same for all** citizens. Flat rate = ideal (?). How about deviances? Earnings-related? Means-tested?
- **Adequate**. Are Beveridgean welfare states universal?

**Notice similarity between residual and universal on dimensions 1+2+3.** Easy to introduce means-test and change generosity/compensation level

**Notice similarity between corporatist and universal on dimensions 1+5.** Possible to extend to all citizens, include tax financing (2+3; e.g. Health care and pensions in Germany)

# Not universalism? "same for all"?

## Earnings-related benefits

UB has become practically flat rate in Denmark and Sweden. Has this made UB more universal?

Income replacement or flat rate the ideal?

If income replacement, less distance to corporatism

## Means-tested benefits. Three varieties:

- Classic: Targeting the poor
- Classic Danish: Excluding the rich
- Targeting within universalism. Support for everybody, but supplements for particular groups

# Not universalism? "adequate"?

## Beveridgean welfare states

- Beveridge's ambitions were smaller than Marshall's but arguments based on same institutions.
- Beveridge wanted to crowd in private supplements
- Marshall emphasized being able to live as a gentleman
- UK, Denmark and Sweden similar in the 1960s and 1970s – same family of welfare states
- But departed around 1970. Less means testing and more generosity in the Nordics, more means testing and less generosity in the UK.
- Thatcher aggravated this in the 1980s. Mayor & Blair continued
- Schlüter brought less means-testing, more universalism. Thorning more Anglo Saxon?

**De-universalization not universal** even in the Anglo Saxon world.

Considerable resilience in Canada

**De-universalization not universal** across programmes. Abolishing universal health care is suicidal political project everywhere

### 3. Degree of universalism

- Even individual programmes are not always either / or
- Deviance from "pure" universalism
- On the dimensions above

## 4. Mixed economy of welfare

EITHER

1) Mixed economy = NOT universal! = Goodbye to universalism

OR

2) Mixed economy = Question of equivalence = it depends

Equivalence = Focus on outcome, and on sensitivity to institutional change

Ex. Ghent system of UI: Collectivization of risk. Coverage. Size of state subsidy. Adequacy. Danish reforms 1967-1972.

Multipillar Pensions: Collectivization. Coverage. Social minima. Equality

## Universal vs. liberal unemployment protection variation within Ghent model

	<b>Liberal</b>	<b>Universal</b>
<b>Duration</b>	Short	Long
<b>Access</b>	Difficult	Easy
<b>Coverage</b>	Narrow	Broad
<b>Risk sharing</b>	High contributions, low state subsidy	Low contributions, high state subsidy
	Risk dependent contributions	Risk neutral contributions
<b>Means-testing</b>	Targeted	Universal (except for supplements)
<b>Adequacy</b>	Low	High (for low incomes) High social minima
<b>Inclusiveness</b>	Low	High

## **5. Blessings of universalism**

# 5.1. VALUE arguments

## RESIDUALISM

- 1) Self-responsibility, provide for yourself
- 2) Universalism makes citizens too demanding

## UNIVERSALISM

- 1) All citizens should be treated equally by the state unless there are *strong* reasons for deviating from this principle so
- 2) Universalism gives coherence. We are all in the same boat
- 3) “Welfare for the poor” leads to stigmatization
- 4) Residualism tend to punish “responsible behaviour”. People lose benefits if they save

”Theory of Bribing”: Universalism let the rich get something in return for support  
(used in favour and against – but not a standard argument)

## 5.2. EQUALITY arguments

### RESIDUALISM

1) Concentrate public efforts on those who cannot manage on their own (“Robin Hood”) in order to maximize redistribution

### UNIVERSALISM

1) Universalism more redistributive:  
a) Larger amount  
b) evil virvle of inequality  
c) avoid distinctions between “them” and “us” – gives more “deservingness”

Different types of “deviances”:

- (1) Targeting **within** universalism: **Extra** for the most vulnerable
- (2) Targeting the “poor”: Often implies **stigmatisation**
- (3) Excluding the “rich”: No stigma, but risk of inefficiency because of too high composite marginal tax rates

## 5.3. EFFICIENCY arguments

### RESIDUALISM

- 1) Better incentives when people are responsible themselves
- 2) Targeting reduces expenditure  
(neolib.: = lower taxes = higher efficiency)  
(else: lower expenditure)

### UNIVERSALISM

- 1) Targeting creates "**Perverse incentives**": Make yourself appear weaker
- 2) **Composite marginal taxes**: High marginal tax + lost social benefits. Slightly higher marginal taxes for everybody or MUCH higher marginal taxes for particular groups.  
e.g. targeting child benefits: Extra high marginal tax for families with children
- 3) **Administratively complicated**
- 4) More transparency= Higher social trust. Targeting=loss of transparency

Some administrative challenges like those in targeting have become easier.  
Low taxes + targeting fit together. Not high taxes + targeting. (Multiple equilibria)

# 8. Other arguments

## RESIDUALISM

- 1) Some groups are not collectively in need of support (any more):
  - The old
  - Families with children
  - Students
  
- 2) Too arbitrary what is supported and not supported by the state. Free medical care. Dental treatment very expensive

## UNIVERSALISM

- 1) Rational to redistribute over the life course
- 2) Child benefits equivalent to tax deductions which is logically given per person
- 3) Social minima would be lower if benefits were targeted

# Longer time perspective.

The idea of excluding the rich appears from time to time. Usually return to universalism.

## Mechanism: Learning effect

- **1950s + 1960s: More universalism**
  - People's Pension 1956/1964 (from "excluding the rich...")
  - Sickness insurance until 1990 (excluding the rich ...)
  - Unemployment insurance (much more universal 1967-72)
- **1970: Universal child benefits disappeared by accident**  
happened to be mentioned during a savings round
- **1970s: "Socialindkomst"** (Excluding the rich...)
- **1980s-early 1990s: More universalism. Child benefits. Elderly care. Students' allowance**
- **1990'erne, 2000'erne: Few changes**
- 2011- SF and S ideas about de-universalisation (excluding the rich ... ). Recently Radical Liberals (even more at odds with the party's tradition)