The Potential of an Unconditional Basic Income within Social Security Systems in Europe

Comparison of Germany, Sweden and the United Kingdom

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ABSTRACT

The current social security systems in Europe have not been able to deal with increased traditional and new risks such as unemployment or work-life balance. One suggested solution to this problem has gained more popular and academic support in recent years: the idea of a universal, unconditional basic income (UBI). This study, therefore, examines whether and how UBI could support social security systems in the UK, Germany and Sweden in order to achieve their aims and fulfil their functions, and thus to improve insufficient social security.

Since effectiveness and efficiency describe the functionality of social security systems, the study focuses on these two aspects. These aspects will be used to theoretically discuss expected effects of UBI along with the main aims and functions of key policies in each country in regard to their effectiveness and efficiency.

In comparison with current social security schemes in each country, the study demonstrates that UBI is able to deal better with several traditional and new risks, despite problems with higher expectations and living standards. UBI provides basic needs and will especially pull risk away from people in need. Additionally, it alleviates poverty and fosters social cohesion. These achievements help to improve the effectiveness and efficiency of the social security systems in the UK, Germany and Sweden.

Keywords: Basic income, Welfare, Social Security, Social Risk, Poverty, Social Cohesion.

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"Der Mensch ist noch sehr wenig, wenn er warm wohnt und satt gegessen hat. Aber er muss warm wohnen und satt zu essen haben, wenn sich die bessere Natur in ihm regen soll."\textsuperscript{1} 

~ Friedrich Schiller, 1791 ~

\textsuperscript{1} With a warm home and enough to eat a human being is not yet very much, but he must have that warm home and enough to eat if his better nature is to be activated.
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1. INTRODUCTION

OBJECTIVE

In recent years, the idea of a universal, unconditional basic income (UBI) has been seen as a solution to the heavy critique about the incapacity of current social security systems to respond to increased social and economic risks for individuals in European societies and therefore for societies themselves. It has been argued that UBI would be able to deal with these risks better than current social security systems (Howard 2005, Jordan 2006, Standing 2002, Van Parijs 1995, 2001). These systems with their focus on the "protection against work incapacity" (Kemp 2008: 164) contradict current developments in demographic structures. They were designed on the analogy of a more homogenous lifestyle in the late nineteenth century (Walker 2005: 260). But nowadays, people live longer, enjoy longer retirement, have diverse careers and relationships, etc. (Giddens 1990; Goodin 2001: 92; Kemp 2008; Rowlingson 2003: 26; Seeleib-Kaiser 2008b: 1). This development creates an increased diversity of lifestyle. If current social security systems expect people to have only one single career and one everlasting relationship in order to enjoy security, then people are confronted with so-called 'new social risks'. These systems, therefore, are not able to protect people as they are supposed to help against risks (Walker 2005: 260).

Remedies to these problems have been seen in the neo-liberal approach. Unregulated free markets would be more efficient, provide higher flexibility and create more income than existing welfare systems (Bryson 2003). Despite increased economic growth in the last decades, problems of unprotected heterogeneous lifestyles, lack of adjustment to demographic changes, and increasing unemployment and insecurity still persist. The economic and social situation of those with disadvantages in the competition in unregulated free markets due to limited information, mobility and resources – who represent the majority of European societies – has become even worse (Jordan 2006). This, therefore, has not only been seen as a threat for affected individuals but for European societies themselves. New paths or at least additional components to the neo-liberal approach, which improve the potential competitiveness of
disadvantaged people and their social security, are inevitable. As in the beginning mentioned, it is assumed that the idea of UBI would meet these requirements. An idea that might sound provoking but also fascinating for the ideal of *Liberté, Égalité* and *Fraternité* as the abolition of slavery more than two-hundred years ago.

UBI implies that any individual should gain a specific amount of money without any requirements that makes it possible for individuals to participate in their social, political and economic environment without being dependent on further income. They would enjoy full freedom to choose their activities. Due to its universal character, it would be paid regardless of age, sex, class or ethnicity. Everyone would receive the same amount. It would be paid as recognition of one’s belonging to this society rather than compensation or charity.

The idea, however, is not new (Lewis 2005: 1). In his famous work *Agrarian Justice* in the 18th century, Thomas Paine, one of the Founding Fathers of the United States and an important liberal philosopher during the Enlightenment, was one of the first to promote a similar idea. According to him every person in a society should have a share of the society’s wealth. Many were motivated by him to develop this idea into different proposals such as social dividend, stakeholder grants, negative income tax, citizen income or basic income. Although they differ in name and content, they all bear this idea of the right to have a share of the society’s wealth – either in form as an income or a dividend.

In recent years, basic income has gained increased public and academic support. Movements such as the U.S. Basic Income Guarantee Network (USBIG), Basic Income Earth Network (BIEN) and its affiliations have been launched to promote the idea. An initiative is currently underway to implement UBI in the constitution of Switzerland and has gained much national but also international media attention. If the initiative is successful, Switzerland will be the first country that introduces UBI for its citizens. This will enable the first serious empirical research on the effects of UBI in a European country. Due to that UBI has not

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^2 Liberty, equality and solidarity.
been implemented in any country, empirical data is not available yet. But there are projects similar to UBI. For example, different projects based on the idea of basic income have been launched in Namibia, India, Brazil or Mexico in order to tackle and prevent poverty. Alaska has already been paying an annual and unconditional dividend to its citizens since 1982. But each of these projects misses out on at least one of the characteristics of UBI. For example, the amount paid by the Alaska Permanent Fund is far too low to be representative. In other cases, the cash transfer is either conditional or only limited to a selected group. They, therefore, provide an insight in the possibilities of UBI but cannot be used as valid proof. Research on UBI has still to be based on theoretical and normative discussions.

Although the conducted research on UBI has mainly been in favour of UBI, there are also some critiques. Most of them focus on the feasibility and effects on work incentives. These are reasonable concerns and should gain more attention. But there is another aspect that is more vital in respect of social security and that has not been addressed appropriately: "The effects of BI on productive and social relations would vary enormously with the set of other measures which accompanied it" (Jordan 2006: 252).

According to this quote, the effects of UBI will vary between countries with different legal and social landscapes. There might be conditions that reverse assumed effects but also conditions that support them. This assumption is supported by considerations about the desirability of UBI by Robert M. Solow (2001: ix-x) that can be framed in following questions: First, is UBI itself desirable? Second, are side effects and consequences of UBI desirable? Third, is the way as it is realised desirable? In particular the third question supports the conditionality of UBI. Thus, it becomes necessary to analyse UBI in relation to its respective social environment.

Responsibility for the protection of people against the above mentioned risks and thus for their social security are social security systems. These systems not only protect people, but also shape their social environment due to their set rules for the participation and interaction in a society. Social security systems, on the other hand, are determined by their aims, objectives and functions. Countries
have implemented several social policies to achieve these aims. Whether and how good they are achieved is addressed by questions about effectiveness and efficiency of a social security system and its policies. Effectiveness relates to the former and efficiency to the latter question. Both together provide a good understanding about the quality of a social security system (Walker 2005).

The intention of this research, therefore, is to explore the hypothetical potential of UBI to support different European social security systems that they are able to achieve their aims and fulfil their functions more effective and efficient, and thus to improve the currently insufficient social security.

It is reasonable to expect that the potential of UBI depends on the respective aim or function and their current effectiveness and efficiency. This requires the examination of following questions: What is UBI and what can be expected from UBI? Where do social security systems differ? What are their aims, objectives and functions? How can effectiveness and efficiency of them be understood? And how may UBI improve their effectiveness and efficiency?

Since there is no empirical data about UBI available as mentioned above, this research is based only on a theoretical and normative discussion. Hence, the focus is on concepts and policies rather than facts; and results have always been understood as limited in regard to the hypothetical discussion and the hermeneutical limitations of the research.

In regard to the selection of social security systems, it has to be considered that their aims are highly dependent on their respective welfare type (ibid.). One of the most used typologies is Esping-Andersen's welfare regimes. He distinguishes between liberal, conservative and social democratic welfare regimes. Although it enjoys high academic acceptance, this categorization has been criticised on its functionality and utility. Welfare states are hardly equated to these pure types. They are rather hybrid and difficult to categorize. Despite this shortcoming, it is still reasonable to use them as a basis and guide for an analysis (Arts et al. 2002).

Other approaches for welfare research suggest focusing on provision, finance and regulation of welfare states to deal with shortcomings of Esping-
Andersen's welfare regimes (Seeleib-Kaiser 2008b). The main focus here is mainly on the private – public dichotomy but also includes other actors in European welfare systems. For example, it is the aim to answer whether welfare instruments are provided or financed by the state or by the market. Regardless of the favoured approach, the selection of cases will include the United Kingdom, Sweden and Germany. In Esping-Andersen’s classification, the UK belongs to the liberal, Germany to the conservative and Sweden to the social democratic welfare regime. According to Seeleib-Kaiser's approach of mixed economy of welfare, the UK represents a system with policy implementations rather provided and financed by the market with low regulation, Sweden a system rather provided and financed by the state with high regulation, and Germany somewhere between both. This study, therefore, will focus on social security systems in the UK, Germany and Sweden.

OUTLINE

In order to answer the research question, this study will start with considerations about the selected comparative method in chapter 2. This chapter also includes a critical discussion about the selection of cases, variables and data. Additionally, theoretical and ethical considerations are part of this section. This will help to create a reasonable and fruitful research design.

As it was mentioned above, it is important to define UBI and explore its affects. Chapter 3, therefore, introduces different definitions of UBI and provides arguments for the importance of universality and unconditionality, and why other forms fail to achieve these requirements. The demonstration of advantages and disadvantages of UBI is another aspect of this chapter in order to explain what has to be expected from UBI.

As social security systems are based on various types of welfare, chapter 4 examines differences in welfare. It discusses two analytical approaches for welfare: welfare regimes and mixed economy of welfare. In particular, the typology of welfare regimes helps to examine theoretical and ideological differences between social security systems and thus to create the context for the
analysis. The mixed economy of welfare helps to overcome shortcomings of this typology because it adds the additional dimensions of provision, finance and regulation.

The aim of chapter 5 is to explain how social security can be understood in a European context. It illustrates that it is reasonable to concentrate on social policies and their aims, objectives and functions in order to discuss the meaning of social security and the potential of existing social policies to achieve these aims and fulfil these functions. Hence, it elaborates different main aims, objectives and functions of social security schemes. Each aspect will be confronted with considerations about UBI in order to increase contextuality and provide first insights.

With this theoretical background, arguments about UBI and characteristics of welfare types are discussed in connection to respective social security policies and their requirements in the UK, Sweden and Germany. This enables examination of the effects of UBI on, first, the effectiveness and, second, the efficiency of social security systems and their social policies in relation to before specified main aims and functions.
2. METHOD AND SELECTION

This chapter contains considerations about the applied methodology, the research design and the selection of cases. Since this research aims to explore the potential of UBI to support existing social security systems in the UK, Germany and Sweden that they are able to achieve their aims and fulfil their functions, it is reasonable to use comparative methods. As noted above, representative empirical data of UBI does not exist. It is only possible to discuss UBI theoretically. This requires the examination of arguments about UBI, and aims, objectives and functions of these systems. Results can be compared then in order to analyse whether the effectiveness and efficiency of these aims and functions have improved with UBI. Methods of text and discourse analysis are able to provide required instruments for this examination. These instruments shall be applied here.

It is recommended to critically use similar existing research designs as a guideline due to they serve as methodological safeguards. (Bennett et al. 2005: 24). The UK, Germany and Sweden have often been used in comparative studies as they are considered to be representative countries in Esping-Andersen's typology. The selection of these three cases, however, does not only represent his typology but it provides also a reasonable number. Data are manageable at the same time as the variance assures validity (ibid.: 83-84; Coppedge 1999: 472). Additionally, the application of Seeleib-Kaiser's approach helps to increase the required critical reflectiveness (Bennett et al. 2005: 24).

What regards to the selection of variables and their interpretation, the research objective is determinant (ibid.: 79). Due to the above stated intention of this research; effectiveness and efficiency are the dependent variables of this research. Since the examination of effectiveness and efficiency requires an analysis of an objective's performance (Walker 2005: 113-115), performances of different policies in order to achieve aims and functions of these social security systems, and thus their created conditions and requirements, are the independent variables.
Between these independent variables, equifinality can be expected. Equifinality means that independent variables affect each other and thus it is difficult to examine causal relations between independent and dependent variables (Bennett et al. 2005: 157). For instance, alleviation of poverty, protection against risk, and maintenance of income are some aims of social security. Loss of income does not have to lead to poverty, but poverty and loss of income can be perceived as risks together with other aspects. Policies for these aims, therefore, affect each other and are hardly to separate.

As discussed below, welfare and social security are perceived differently. The priority of aims depends on the perspective on an individual or the society. Hence, universally valid generalisations are difficult. Additionally, it is expected that the potential of UBI depends on the respective aim. It might have more potential in regard to one than to another aim. It is therefore the intention to treat each aim separately in order to solve the problem of equifinality. This principle is also applied on the aspects of efficiency.

As noted above, data about an implemented UBI in European countries do not exist. These variables are difficult to determine. They can only be discussed hypothetically. Results of this research, therefore, are not expected to be specific but more normative and abstract explanations (ibid.: 211; Jorgensen et al. 2002: 55). Techniques of discourse analysis methods, however, help to create and interpret missing required data as they are able to examine the meaning of words and concepts and how their patterns are structured (Jorgensen et al. 2002: 1). They are applied on existing theories about UBI, welfare and social security. Here again, previous studies and their arguments act as guideline. This enables an examination of the characteristics of UBI, and of welfare types that determine social security systems, and of vital categories of different aims and functions of social security as well as the selection of aims and functions themselves. It has to be noted that these examinations are interrelated and influence each other simultaneously. This helps to create an "order of discourse" that limits possible meanings. Otherwise used arguments would not be in context. In particular, due to that arguments about UBI address a field beyond the 'borders' of social security (ibid. 26-30, 56).
Furthermore, as it was mentioned in the introduction and will be further discussed in the next chapter about the definition of UBI, similar projects or conditional cash transfers miss important aspects of UBI and are outside of the 'field of discursivity'. Within this framework, the findings are analysed in relation to social security policies in order to determine effectiveness and efficiency.

Here, the selection is based on state-related policies, despite the argument below that other actors in provision, finance and regulation have to be considered in welfare and thus social security analyses. This limitation results from arguments about operationality and manageability above. For instance, the UK has alone more than a hundred different unemployment insurance providers. In regard to the scope of this study, this would exceed the framework. Arguments about other actors than the state will therefore be based on general statements from former analyses about these actors. The application of discourse analysis techniques also helps in this case.

This process of deconstructing and reconstructing will take place within a social constructionist philosophy. Discourse analyses often have social constructionist starting points (ibid.: 3). They assume that perceptions and knowledge are dependent on their construction by individuals from a subjective standpoint. Social realities, therefore, are not given or unchangeable facts. This requires that the individual position of the researcher and her values have to be considered in the interpretation of data, variables and results (Delanty 1997: 128; Fagan 2010: 95). It, therefore, has to be recognised that any interpretation might always be affected by the researcher's positive interest in UBI.

Additionally, some Feminist scholars have argued that researchers with a different social background than their research object often conduct the analyses without being reflective about their standpoint. For instance, intercultural studies have often been influenced by Eurocentrism or masculine experiences (Hekman 1997: 354). The selection of three European countries and their current social security schemes helps to deal with this problem of subjectivity to some extent. The inclusion of non-European countries would increase this problem. This is also accountable for southern or eastern European countries, since they are outside of
the researcher's social background despite their potential for a different result. This selection also limits problems that could be caused by changes in time and space. Both time and space are able to alter conditions and thus have impact on the research results (Seeleib-Kaiser 2008b: 12). For instance, it would be possible that conditions for employment protection change (Liebmann 2012). Since such developments are hard to predict, this study will focus on current social security schemes and their policies.

This theoretical standpoint of relativity does not, however, mean that anything can be interpreted. It rather represents the awareness of "many truths" and helps this research to get beyond hermeneutic limitations (Sayer 2000: 91).
3. UNCONDITIONAL BASIC INCOME

In order to analyse UBI and its effects on social security systems, it is important to define it first. This will be done by a comparative illustration of different definitions by selected advocates and organizations and a discussion of their strengths and weaknesses. Additionally, arguments for and against UBI are discussed in order to provide a better understanding of UBI and the fundament for the analysis below.

DEFINITION

Basic income has been promoted in different forms. Some definitions are formulated more in detail. Others have been kept broad in order to stimulate the public discourse. Their conceptions, however, mainly differ in interconnected points such as requirements, execution, participants and amount. The following selection of definitions shall illustrate the potential variance in conceptualizations. For instance, Philippe van Parijs, who has published several studies on basic income, defines basic income as

“an income paid by a government, at a uniform level and at regular intervals, to each adult member of society. The grant is paid, and its level is fixed, irrespective of whether the person is rich or poor, lives alone or with others, is willing to work or not. In most versions – certainly in mine – it is granted not only to citizens, but to all permanent residents” (van Parijs 2001: 5).

Another definition, provided by Standing, reads:

“The proposal is that every citizen, or legal resident, should have a right to receive a monthly basic income, either as a tax credit or a cash payment. It would be given to each person individually, regardless of age, marital status or work or labour status, and would be fully portable, being paid wherever the person was living in the country (Standing 2009: 299).

The Global Basic Income Foundation, who argues for a worldwide basic income that is managed by the United Nations, offers a rather open definition which characterizes basic income as “a guaranteed minimum income that is given unconditionally to all people in all countries” (Global Basic Income Foundation 2011). The Basic Income Earth Network (BIEN), an international network for the
promotion of basic income and organisation composed of interested individuals and groups, uses a more concrete definition:

“A basic income is an income unconditionally granted to all on an individual basis, without means test or work requirement. It is a form of minimum income guarantee that differs from those that now exist in various European countries in three important ways:

- it is being paid to individuals rather than households;
- it is paid irrespective of any income from other sources;
- it is paid without requiring the performance of any work or the willingness to accept a job if offered” (Basic Income Earth Network 2011).

Its German affiliation Netzwerk Grundeinkommen suggests the following definition:

“A basic income is a regular sum of money granted unconditionally by a political community to each of its members. There are four criteria underlying the idea of basic income:

- A basic income provides individuals with a sustainable livelihood that enables social participation.
- It constitutes an individual legal right.
- It is provided without means-testing.
- It does not entail any obligation to work or perform other services in return” (Netzwerk Grundeinkommen).

One aspect all of the presented definitions have in common is their claim for unconditional access. However, there have been proposals for conditions. Most popular is the demand that recipients should perform at least any form of engagement (Solow 2001: xii). For example, Standing can imagine participation in the socio-political life as a condition in his discussion about requirements for UBI if anything should be required (Standing 2009: 322).

It is important to understand that a basic income that demands any service in return fails to accomplish its idea introduced in the beginning and would not differ to current social security policies. Existing benefit schemes in European countries contain mainly three aspects: the requirement to contribute, the verification of benefit demands, and the satisfaction of certain criteria in order to be entitled for benefits. Individuals can only enjoy benefits if they fulfil these requirements. Otherwise they are excluded. These benefits, therefore, are ‘limited rights’ or compensations rather than ‘real rights’. A right cannot coexist with requirements (ibid.: 299). UBI consequently differs from existing benefit schemes
in European countries (van Parijs 2001: 7–8). It is unconditional and can be claimed at any time without any means-test or other proofs of needs. It is therefore a right and not a compensation or benefit. Hence, it has to be understood as a guaranteed base that enables a life in dignity, imparts security, and creates meaning according to one's own will. It provides more choices and higher independence than current social security schemes and their paternalistic character as it will be discussed below (Standing 2009: 299-300).

The term ‘guaranteed base’, however, requires more clarification. Van Parijs notes, that UBI faces the risk of falling too short (van Parijs 2001: 5, 8). If UBI would be set too low, it would be caught in the same trap as current social security benefits. People would be still dependent on the availability of labour or verification of benefit demands. UBI, therefore, has to be on a sufficient level that enables above mentioned requirements.

It, however, is unrealistic to argue that UBI could cover all needs. Needs can differ significantly between individuals. They are very dependent on individual circumstances and expectations. For instance, a handicapped individual needs much more than a non-handicapped individual for her daily survival. It is thus important to understand that a guaranteed base cannot be confused with all needs. In this regard, it is to be expected that there are risks that UBI cannot cover alone. In the case of the handicapped individual UBI might provide too little. UBI, therefore, is not a “full substitute for existing conditional transfers” (ibid.: 8). It is rather the base for further supplements if these are required. Hence, the claim of some advocates to implement UBI as substitute has to be refused.

The discussion about requirements and needs leads to questions about size and execution. Both have impact on inclusion and exclusion of individuals. They are decisive for the universal aspect of UBI, although many proposals do not address these questions in order to avoid misuse of any discussion about UBI. For instance, if a proposal suggests using residence rather than citizenship as requirement for access to UBI, it faces the risk to be mainly used as a political discourse about nationality. In regard to size, however, suggestions can be categorized into four types: UBI can be distributed either on a national or global
level based either on citizenship or residence. For instance, UBI can be provided by a national government for either citizens or permanent residents. These two scenarios are included in the above mentioned definitions of Standing and van Parijs, although the latter states his preference for a version based on permanent residents. BIEN and Netzwerk Grundeinkommen do not explicitly address this point. In the case of Netzwerk Grundeinkommen, the term ‘political community’ enables many interpretations. The Global Basic Income Foundation, who argues for a global level on the other hand, does not address the question if citizenship or permanent residence should be decisive in their definition either.

Jordan, however, addresses this question to some extent in relation to solidarity and social cohesion (Jordan 2006: 252-253). He argues that UBI only for citizens on a national level would be easier to realise. UBI will have to be financed from taxes and taxes require a high solidarity. Such solidarity is easier to create via citizenship than other collective unities such as humanity for instance due to that nationality enjoys a higher priority in individual's socialisation. Additionally, if UBI was based on permanent residents, transnational mobility might increase. In this case social solidarity would be more challenged and UBI more difficult to legitimate (ibid.).

UBI on a global level could pose as a solution to reduce transnational mobility, but there are questions regarding the solidarity between countries and rules about migration and entitlements in other countries. It also includes the question if UBI should be provided and maintained as a human right by each country individually or if it should be implemented on an international global level; for example, by the European Union or the United Nations as the Global Basic Income Foundation proposes (ibid.).

There are also possibilities to define the kind of recipients along additional categories to citizenship and residence. The form of execution further determines recipients. For example, Milton Friedman’s negative income tax would only include those who are members of the labour market: employers, employees and unemployed persons. Others like retired people, caretakers, students, children, etc. would be excluded. The essential factor would be labour, which creates conditions
that are in contradiction with its core idea as mentioned above. Another alternative is stakeholder grants. In this case, age would be the determinant. Due to that everyone would get a specific amount of money at the beginning of her adult life as start-up aid, everything would depend on her decisions at this point of life. Its amount would enable more freedom in the beginning – some suggest an amount around $80,000 – but it also bears more risk of erroneous decisions (van Parijs 2001: 10-13).

Which of these different characteristics will finally be realised – if at all – is mainly a question of feasibility and desirability. But in order to realise the universal aspect of UBI, neither a negative income tax nor a stakeholder grant resemble an appropriate design for UBI. Both exclude people or rather favour a social group. This is similar to current social security policies and is the subject of the discussion below. Additionally, proposals with permanent residence as a determinant for UBI receivers have a more universal character than those with citizenship. In the case of the citizen as determinant, immigrants with only permanent residence would be excluded for instance. They might be on the periphery of a society but still belong to it. It has also been argued that the current understanding of citizenship is unable to deal with social requirements in a highly globalist world. Consequently, a redefinition of citizenship is inevitable. Permanent residence as a key factor for citizenship has become more convincing than birthright (Farestad 2012). This is another reason why UBI has to be guaranteed for permanent residents in order to reach the most possible universal character if the discourse of citizenship does not change.

DESRABILITY

Expected effects of UBI are covered by arguments about the desirability of UBI. They can be categorized in terms of security, dignity, meaningfulness, independence, empowerment and choices. It is important to understand that they are hardly to be separated from each other but have ‘flowing borders’. They rather have to be understood as a means to structure the argumentation.
Security is a rather broad term, which suggests a variety of potential definitions. It can refer to political, economic, societal or environmental security for either societies or individuals for example (Sheehan 2005). But one point that threatens security regardless of its context in many ways is poverty. Poverty implies a threat for the economic and social existence of an individual. It is also a threat for social cohesion and social peace of a society. Its alleviation has become important enough to constitute an aim of any social security system as will be demonstrated below. It is also a major point in the argumentation for UBI.

Since everyone would get a monthly paid sum that is high enough to live in dignity according to its definition, UBI would eliminate poverty (Howard 2005: 130; Standing 2002: 212, 217; van Parijs 2001: 3). Poverty is mainly the result of insufficient income sources (Bachelet Jeria 2011: xxiv). A person that is not able to acquire enough income from whatever source faces the risk of poverty. It is undeniable that the well established ideology in European societies – paid work as the main resource for income and as protection against poverty – has been challenged (Birnbaum 2012: 5; Plant 1999: 61; Walker 2005: 34). High unemployment rates and their structural cause make it impossible for everyone to live according to this idea. The access to work is limited and not equal for every person. In addition, there is evidence that not every paid work provides sufficient wages. Hence, paid work alone cannot guarantee every person to avoid a life in poverty. UBI instead does not create a dependency of people on the labour market. It represents a high level of decommodification. It is able to protect every person against poverty without the requirement of good performance on the labour market (Pasma 2010: 9).

The aspect of insufficient wages is ignored by current social security systems, which are also designed according to this ideology. People are expected to participate in the labour market. As soon as 'appropriate labour' is available, benefits are denied, regardless of a sufficient wage or working conditions. In this case, one job is easily not enough. This results in high opportunity costs and a poverty trap: A person ends in poverty, although she or he has accepted a job instead of benefits, but the money acquired through that job is lower than the
benefits were. In comparison, UBI would be still paid. The income through the job would be additional. UBI, therefore, could protect people against poverty traps and keep opportunity costs low in opposition to the design of current social policies (Standing 2002: 212, 217).

Another point related to security is risk. Risk has as many forms as security has. Individuals can face economic risk, social risk, etc. But risk should not be understood as a synonym of insecurity or antonym of security. A person can face risk and still feel secure (Hacker 2008: 63). Any risk, however, does have a potential to threat security. Risks have also increased in recent years. Workplaces have been rationalized or outsourced, incomes have become unstable, and work conditions have been deteriorated. Traditional social relations such as families have been challenged; health systems and infrastructures have been eroded. Lifestyles have become more heterogeneous; relationships and careers have become more diverse (Hacker 2008; Jordan 2006; Whitfield 2009). All these developments have either exhausted or challenged existing security systems due to that they are not designed for these new challenges (Kemp 2008: 164). In comparison to existing security schemes, UBI has the potential to provide a remedy against these risks. These schemes "presume a lifelong work history" (Alstott 2001: 77). Hence, there is often neither time nor resources to gain skills, knowledge and expertise. UBI would enable people to take a break and reorganize themselves. It would help to reduce pressure that is placed on individuals by a competitive market (Standing 2009: 321). And UBI would also better match their individual requirements. Existing welfare policies are designed to support family households with at least two persons. But households with only a single person have become more prevailing (Standing 2002: 215, 309). Due to that UBI is designed to benefit every individual, it would adjust to these new conditions much better than existing benefits.

Many existing social policies contain means-tests. There has been the argument that such means-tests do not only require a high degree of administration but they also cause stigmatisation for those who need benefits. The request for help is often perceived as a sign of weakness – by both the applicant
and the society. Applicants are perceived either as a burden, unable to fulfil social requirements, or even as 'parasites' that harm societies. In each of these cases, applicants are confronted with exclusion. Although this confrontation and the discrimination that results from it seem to be socially accepted, as the long tradition of "poor-bashing" and paternalism suggest (Pasma 2010: 15; Standing 2009: 307), they contradict human rights requirements. In comparison to these policies, UBI is an opportunity to tackle these problems. Since UBI is universal and unconditional, it does not need means-tests or similar approvals. It, thus, requires less administration and reduces stigmatisation and discrimination (Rowlingson 2003: 25; Standing 2002: 216, 252).

But UBI does not only offer an improvement in regard to unemployment, poverty traps and discrimination of those who are already in precarious situations. UBI would also improve the working situation of employed people, which is ignored by benefits that only protect against work incapacity (Howard 2005; Pasma 2010; Standing 2002, 2009). As employees could always count on UBI, they have a better bargaining position towards their employers. They would be less dependent on the market and could expect either higher wages or better working conditions. This would also count for work with the label 'nobody would like to do it anymore'. This kind of work is mainly characterised by bad working conditions or poor payment. At least one of them would have to improve in order for someone to accept doing it. But history has also shown a third option in case neither wages nor conditions improve. Many undesirable tasks have been subject to invention and machines execute these tasks. Hence, UBI could also promote further technological development (Pasma 2010).

UBI would also support entrepreneurship. In recent years, the number of one person enterprises has increased. UBI would take some risk from these entrepreneurs (Raventos 2007: 82). They could allow themselves to have lower profits and compete more easily, because UBI would cover their living expenses. In addition, employers could count on more highly motivated employees, because they would not work for them otherwise. And high motivation has been a factor of high productivity (Gallie 2007: 279). Employers, therefore, would also profit.
Furthermore, those who engage themselves in socially valuable unpaid work would finally earn some financial recognition. Traditional social insurance has ignored care work and other important volunteer work (Standing 2009: 319). This kind of work that is not labour has often been denied to count as actual work, despite its high economic and social value. Societies would hardly function without all this unpaid homework, and social, political and community work. It would also be more difficult to maintain social cohesion without them (Standing 2002: 212). UBI would alter this shortcoming. It would enable people to spend more time on more meaningful activities for them instead of being forced to accept an unwanted or degrading job by activation programs (Scherschel, Streckeisen et al. 2012; Standing 2009: 301). There are, however, options to reward volunteer work without UBI. For instance, AmeriCorps is a policy system in the United States that aims to compensate national and community services (Galston 2001: 30-31). But UBI has at least two advantages in comparison with such systems. First, UBI does not need expensive administration as these systems, because recipients do not have to prove their entitlement. Second, such systems represent a set of values that have to be shared by everyone. Otherwise, an individual has to face the consequence of being excluded. They represent also power structures which tend to manipulate individual's behaviour and oppress them. UBI in opposition neither prefers some values nor intend to control individuals. On the contrary, UBI offers the possibility to live according to any values and to liberate oneself from coercive power.

It, therefore, provides people with choices. This also means that it would be easier for people to spend more time on leisure if leisure has value for them. Many opponents of UBI perceive leisure as negative. They claim that leisure harms individual and collective productivity and thus causes economic and social damage (Standing 2002: 209). It is therefore reasonable for them to exert pressure on individuals in order to avoid these damages, as the corresponding design of existing social security schemes to disincentives indicates. But these assumptions have several shortcomings. First, they claim that leisure is bad. For example, Nobel Laureate Bertrand Russell (1932) argued in his famous essay *In Praise of
Idleness that leisure is important for both individuals and societies. It helps to reorganize oneself, to be ethical and to make right decisions (Standing 2009: 322). Second, even if the assumption is accepted that leisure is bad, they do not raise the question why there are no obligations for the privileged people who can enjoy leisure (Standing 2002: 216)? Why do they accept this unequal distinction and do not permit leisure to everyone? Third, the assumption that an individual would opt out of the labour market or social participation as soon as there is no pressure suggests negative and questionable expectations of humans. There are studies that prove that these expectations are not justified (Pasma 2010: 2; Standing 2002: 214). People have very distinct reasons why they participate in the economic, social, political and cultural environment. That people will still participate instead of completely withdrawing can be seen in time-use surveys. They indicate equal numbers between hours of unpaid and paid work (Pasma 2010:6). In this regard, wages are only one incentive that motivates people. And there will always be people who will look for more than the minimum (Howard 2005: 130). Furthermore, other studies have shown that extrinsic motivation is less effective for increasing economic performance than intrinsic (Gallie 2007). Thus, it is more useful to ask why these people who will withdraw from the labour market lack an intrinsic motivation rather than force them with extrinsic motivation in a paternalistic manner.
4. WELFARE TYPES

As social security systems vary in different welfare models and security is often described as a main aspect of welfare (Fitzpatrick 2001), it is necessary to explore the meaning of welfare. One approach that has been developed to analyse and to provide a better understanding of these different types of welfare is Esping-Andersen's welfare regimes. Although his typology has been heavily criticised, it still offers "a very robust and convincing tool" (Arts et al. 2002: 155). The following subchapter, therefore, addresses his typology and its critiques as an introduction into welfare analyses before an alternative approach is discussed in an additional subchapter. It aims to examine differences in welfare and their ideological basis for social security systems.

WELFARE REGIMES

In his analysis about welfare states, Esping-Andersen concluded that welfare states are not the aggregation of social policies but "a complex of legal and organizational features that are systematically interwoven" (Arts et al. 2002: 139). His comparison of welfare states suggests three different welfare regime-types, each dependent on the degree of decommodification and the kind of stratification. Decommodification refers to the independence of individuals or households from the market to acquire necessary resources to maintain a standard of living in dignity (Arts et al. 2002: 141; Kesler 2006: 747; Seeleib-Kaiser 2008b: 4; Walker 2005: 305). Stratification explains that individuals and groups have different statuses, initial situations and possibilities within social systems. Attributes, which affect these statuses and opportunities, are related to property, gender, age, ethnicity, religion, education, prestige, power etc. How these attributes are ranked and can be acquired depends on social mobility in a system and the solidarity between its members (Arts et al. 2002: 141; Giddens et. al. 2009: 432; Walker 2005: 14).

His three regimes types are the liberal, the conservative and the social-democratic regime. The liberal regime is characterised by a low degree of decommodification and strong individualism. It is driven by the belief that
individuals can only enjoy freedom and high living standard if an individual is not impaired by other individuals and institutions like a state. The market, therefore, plays a central role in the provision of welfare in the liberal regime. Individuals' welfare is mainly dependent on their performance in the market. Support can only be expected if problems occur, which are beyond the control of an individual. Examples for the liberal regime are the United States and the United Kingdom. The social-democratic welfare regime, in opposition, has a high level of decommodification and universal solidarity. It rejects the idea of the salvific effects of the market. It views the market as a cause of inequality and thus suggests that individuals need protection from unfettered market forces by high and universal benefits. Sweden and Norway are two examples of the social-democratic regime. The third regime, the conservative welfare regime, is characterised by a moderate degree of decommodification and based on solidarity among families and former contribution. Welfare, thus, depends on the individual status in the social fabric and mainly on the support of personal acquaintances. The state only provide substitution if this social network is not able to fulfil its function. Two examples of the conservative regime are Germany and France (Arts et al. 2002; Walker 2005: 13-16).

The problem that occurs with Esping-Andersen's typology is its practical application. On the one hand, none of these six mentioned examples is completely similar to these types. There is also disagreement in some cases. For example, while Esping-Andersen labels the welfare state of Finland as conservative, Leibfried and Ferrera categorize Finland along with Sweden and Norway. On the other hand, there are welfare states that do not fit in one of these types, due to the fact that Esping-Andersen's typology strongly relates to Western European welfare states and ignores others. Researchers have been motivated by this problematic to develop alternative typologies, such as the Mediterranean or Antipodean type (Arts et al. 2002).

There is also critique on the narrow focus on state centred welfare that ignores 'hidden welfare' (Seeleib-Kaiser 2008b). There are other policies and implementation that have impact on the well-being of individuals and should also
be considered. For instance, 'leisure' institutions and other facilities that promote social inclusion and equality have mostly been ignored by researchers who only focused on core policies (Clarke 2008: 198-199). But also tax incentives and private social policy provisions have not gained sufficient attention, although they have a similar impact on welfare (Seeleib-Kaiser 2008b: 7-8).

Additionally, the strict dichotomy of state and private has also been part of the critiques. For instance, Seeleib-Kaiser argues that, first, "public services do not necessarily have to be identical with state services", and second, "'private' and 'public' can have very different meanings in different national settings" (ibid.: 10). The boundaries of these domains are often blurred. It is possible that social policies are provided by the 'private' but still refer to the public domain, because it is financed by the latter. It is also possible that social policies are provided by the 'private' and the 'public' or by something else. Seeleib-Kaiser refers to the example of the Ghent system of unemployment insurance (ibid.: 11). These possibilities, however, make an analysis mainly based on the private-public dichotomy questionable. He, therefore, suggests turning the analytical focus on financing, provision and regulation of social policies and welfare instead. His approach to analyse welfare systems will be explained in the following subchapter.

MIXED ECONOMY OF WELFARE

Seeleib-Kaiser and others (Seeleib-Kaiser 2008c) argue that a one-dimensional analysis with focus on provision ignores policy strategies such as tax-benefits or subsidies for example. If a policy is based on such state financial support and is only provided by private actors, they are treated as private domain in such a one-dimensional analysis. The circumstance that this policy would not be realised without state support is ignored and the result of the analysis, thus, is distorted. A two-dimensional analysis would differentiate between means and ends but ignores that both can be influenced from the outside. In a system where policies are financed and provided by market actors, a state can still strongly influence values and outcome of these policies. A two-dimensional analysis
would relate such policies only to the private domain and lack sufficient interpretation (Powel 2008: 18-19). Welfare systems and their social policies, therefore, should always be analysed three-dimensionally. It should be examined how they are provided, financed and regulated. This could be done either by state, market, voluntary or informal actors as Figure 1 illustrates below.

<table>
<thead>
<tr>
<th>Finance</th>
<th>Provision</th>
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<tr>
<td></td>
<td>State</td>
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<tr>
<td>State</td>
<td>1a (high reg)</td>
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<td></td>
<td>1b (low reg)</td>
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<tr>
<td>Market</td>
<td>5a</td>
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<td>5b</td>
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<tr>
<td>Voluntary</td>
<td>9a</td>
</tr>
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<td></td>
<td>9b</td>
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<tr>
<td>Informal</td>
<td>13a</td>
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<td></td>
<td>13b</td>
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Figure 1. Dimensions of the mixed economy of welfare (Powel 2011: 19).

In respect to the division of public and private, 1a in Figure 1 represents the core idea of welfare states. The state finances, provides and also highly regulates welfare. In opposition, 6b represents the liberal idea of welfare states. The state would only intervene on a low level of regulation and the market would provide and finance welfare. Between these two settings are many other options possible. It also suggests that the often discussed term 'privatisation' cannot be understood as a simple shift from 1a to 6b but also includes other moves in this figure. For instance, shifts from 2 or 3 to 10; or from 5 to 6 or 7, but also from 2a to 2b could be understood as privatisation.
This underpins Seeleib-Kaiser's statement that "comparative welfare state research needs to take into account the more complex formations or assemblages of welfare" (Seeleib-Kaiser 2008a: 221). Welfare systems can contain social policies that represent a high variation of settings in this figure. This conjuncture needs to be considered in the analysis of welfare but also of social security that is highly related to welfare. It helps to overcome a limited scope on only state core policies but also to avoid neglecting attention to the setting of different formations of welfare. It, therefore, will be more informative for the analysis of effects of UBI in different social security systems as well as the conditionality of UBI on specific system configurations.

It is, however, hardly to deny that welfare systems contain more of one specific setting which regards these three dimensions. Although various shifts in these three dimensions are recognisable and transform an existing system to a more heterogeneous complex (Seeleib-Kaiser 2008a), influences of historical and institutional developments are also hardly to deny. Ideological differences in regarding the above mentioned contextuality, quantity and subjectivity are still present. Welfare systems contain still mainly policies that are typical to their historical background (Arts et al. 2002: 138). For instance, the welfare system of the UK still mainly has policies that are based on individualism, while Sweden's welfare system still mainly relies on universal principles and Germany is still influenced by corporatist solidarity. It is therefore reasonable to use typologies such as Esping-Andersen's welfare regimes alongside with these three dimensions as a basis for the discussion below. Both together will help to consider differences in effectiveness and efficiency of investigated social security aims and functions in the UK, Germany and Sweden, which would be ignored otherwise.
5. SOCIAL SECURITY

Similar to welfare, social security is a very broad term and captures many different aspects (Millar 2003: 7). Despite this similarity and the dependency of social security on the respective welfare type, social security cannot be considered as equivalent to the latter. For instance, Tony Fitzpatrick, who examined perspectives on welfare theories and how these perspectives capture aspects of welfare, argues that the experience of security does not necessarily result in welfare (Fitzpatrick 2001: 6). According to him, marriage has often been seen as a source of security for women. They were not exposed to market forces but relied on their husbands. They, thus, enjoyed security on the one hand but lost their independence and freedom on the other hand. But this dependency may result in a low level of welfare, as welfare also includes aspects of happiness, preferences, needs, desert and relative comparisons, which capture independence and freedom. Social security, therefore, is related to and dependent on welfare but needs to be treated separately. It is consequently the aim of this chapter to examine definitions and concepts about social security. This will explain why it is better to focus on social security policies and their aims, objectives and functions in order to analyse social security and thus the research question.

How difficult it is to define social security is illustrated by the following question. Who faces more security: a person with a bad but secure job or a person with a good but insecure job (ibid.)? This question is hard to answer. An answer depends on the individual needs and preferences, based on their ideological perspective (Standing 2009: 296-298). Hereby, it is important to stress that security does not mean that all needs are satisfied or that all satisfied needs cause security. It does also not imply that security is the reverse of risk. An individual may face risk but still feels secure, due to knowledge that their faced risk will not negatively affect their living standards for instance (Clegg 2008: 150; Fitzpatrick 2001:6).

As mentioned above, the perception of security not only differs individually but also collectively. Definitions of social security, therefore, depend on the context and location. According to Walker (Walker 2005: 4-6, 21-22), the
meaning of social security is more specific in most countries of continental Europe while in Britain it is much more encompassing. That social security definitions and schemes can vary is also illustrated by the definition of the International Labour Organisation (ILO). The ILO is a United Nations agency and has 183 member states. Although it had a dominant role in international social security matters in the 20th century, its role changed in the mid-1990s. The International Monetary Fund, the World Trade Organisation and the World Bank became more significant, also in matters regarding social security. They, therefore, were able to displace the ILO (Deacon, Hulse & Stubbs 1997, 73-78; Yeates 2003: 63-64). ILO, however, announced the convention C102 about social security minimum standards in 1952. In order to guarantee social security to its citizens, a state has to provide at least three of the following parts:

- medical care,
- sickness benefit,
- unemployment benefit,
- old-age benefit,
- employment injury benefit,
- family benefit,
- maternity benefit and
- survivors' benefit.

Either unemployment benefit, old-age benefit or employment injury benefit has to be one of these three parts (ILOLEX 1952). Although schemes can differ significantly from each other, it is therefore possible to provide social security according to ILO standards. For instance, one scheme may focus on medical care, sickness and employment injury benefits, while another focuses on old-age, family and survivors' benefits. Due to the fact that unemployment benefits, old-age benefits or employment injury benefits are emphasised, decommodification represents the core idea of social security. It aims to decrease the dependency of people on the markets, but also to enable them to create means for their current needs and future plans (Millar 2003: 7). This is also represented by a definition of the International Social Security Association (ISSA), an international organisation that supports national social security agencies and also
emphasises aspects that create decommodification and labels medical care as secondary:

"Social security may be defined as any programme of social protection established by legislation, or any other mandatory arrangement, that provides individuals with a degree of income security when faced with the contingencies of old age, survivorship, incapacity, disability, unemployment or rearing children. It may also offer access to curative or preventive medical care" (ISSA).

The Global Extension of Social Security (GESS), a knowledge sharing platform that is run by the ILO and has the aim to facilitate information about social security, additionally includes the protection against "general poverty and social exclusion" in its definition of social security (GESS 2006). With this extension, social security becomes even broader but it also adds a social dimension to the definition and illustrates that social security systems are shared systems (Millar 2003: 7).

Another aspect that these definitions do not address properly but is captured by a definition by Walker is how social security is realised. He includes:

- contributory (social insurance) benefits;
- non-contributory cash benefits;
- social assistance (means-tested) benefits; and
- tax credits.

Each of them can be "designed and delivered through the public, private and non-for-profit sectors or any combination of the three" (Walker 2005:6). His reference to different sectors as providers but also as creator again stresses the advantages of taking the three dimensional analytical approach for analyses of welfare but also of social security, as mentioned above, into consideration.

These definitions, however, also suggest concentrating on policies of social security systems in order to catch the meaning of social security. In order to analyse social security or rather social security systems, it is recommended to differ between aims, objectives and functions of these systems but also between different kinds of such systems. One difference between these dimensions is that aims are more difficult to identify than the others, because they are often nebulous. Objectives are represented by particular schemes and benefits and therefore easier
to identify. Functions are determined by the outcome and thus also easier to recognise. Another difference is that aims and objectives represent the intention of social policies and functions represent the result. Functions can be intentional or unintentional. They include side effects that are actually not intended. They thus can differ from the actual intention of a policy aim or objective and affect the outcome of social security schemes (ibid.: 21-28). Aims, objectives and functions also differ in their relations. System aims relate to social security systems and belong to societies. Policy objectives relate to benefit schemes and belong to policymakers mainly. Functions relate to both social security systems and benefit schemes but belong to no one. Hence, they are neutral or objective while aims and objectives are normative. These three aspects, however, relate to the question of why social security systems exist as they exist and why they function as they function (ibid.: 42).

As it was noted in the introduction, whether social security systems can achieve these aims, objectives and functions are related to the questions about effectiveness and efficiency of social security systems. Both are therefore important to consider for the answer of the research question. As it was outlined in chapter 2, this requires an analysis of the performance of social security schemes. Before performances of these schemes and thus effectiveness and efficiency can be discussed, different aims, objectives and functions of social security schemes need to be determined and as a result are the subject of the next subchapter. Each aspect will also be addressed with relevant arguments about UBI elaborated above. This will help to increase the contextuality and provide first results in regard to the research aim.

AIMS, OBJECTIVES AND FUNCTIONS

Aims of social security systems rely on different economic, social or political perspectives and are highly dependent on their given priority by the corresponding welfare ideology. As illustrated above, some aspects of social security enjoy more support than others. The situation of their aims is similar. While some aims are favoured, other aims are subsidiary. (ibid.: 29). Regardless
of the preference of aims, European countries, thus also the UK, Germany and Sweden, have introduced similar benefits. They are according above mentioned ILO standards but differ in design and priority between each other. These benefits are characterised by several aims. These aims are: alleviation of poverty, income maintenance and replacement, redistribution, promotion of social cohesion, protection against risk, compensation, and behavioural change (ibid.).

The aim alleviation of poverty enjoys a prioritised position within social security systems, although Western European countries have been successful in tackling poverty during a period after World War II. This position is a result of the historical background of poverty relief, which often was considered the origin of social security systems. For instance, the Poor Law in England in the early 16th century was a first type of social security system. Poverty alleviation mainly protects the economic well-being of people but it also has an impact on social aspects due to the fact that poverty is an extreme result of inequality (ibid.: 29-30). UBI has the capacity to fulfil this aim as has been illustrated above. As every member of a society would monthly gain a certain amount of money that enables a life in dignity, poverty would in principle be eliminated.

Income maintenance and replacement is more ambitious as an aim, but it enjoys a high priority in many social security systems. It is mostly earnings-related and has thus less redistributive impact. But it promotes social inclusion and reduces the risk to an individual. These effects stress the interconnectivity of different aims. (ibid.: 30-31). UBI cannot replace policies that aim for income maintenance or replacement due to its setup. Any income would always be additional. UBI, thus, could only support these policies.

Redistribution is inevitable connected with social security provisions but it can also be an explicit aim. It exists as a vertical, horizontal, life-course or territorial type. Vertical redistribution refers to transfers between social groups with different social and economic status. For instance, transfers from rich to poor people. Horizontal redistribution means that the economic position does not have an impact on the beneficiary. The third type, life-course redistribution, resembles transfers from one to another period in one's life. Territorial redistribution
describes transfers between geographic areas. Redistribution is a controversial aim and it highly depends on the kind of welfare system. For instance, vertical redistribution mainly occurs in social democratic regimes, horizontal redistribution in conservative regimes, and life-course redistribution in liberal regimes (ibid.: 32-34, 150). UBI could include each of these types, since every individual will receive UBI regardless of age, gender, income, etc.

The promotion of social cohesion aims to enhance the connectivity between different socio-demographic groups under the 'umbrella' of citizenship or nationhood for example. This aim is characterised by its universal principle. In order to foster social cohesion, everyone is entitled to claim benefits regardless of her social and economic status. This contradicts various systems, which only have the aim of tackling poverty (ibid.: 31). Since UBI shares this universal principle, it is reasonable to argue that UBI could also promote social cohesion.

The protection against risk can be another aim of a social security system. In particular, unskilled and poor people face greater risks in life. They may become more easily unemployed or live more unhealthily. Insurances, therefore, shall help to pool the risk from them in order to increase their individual but also the collective security (ibid.: 32). As noted above, UBI has the capacity to protect against some risks or provides means to deal with these risks at least.

Additional aims can be compensation such as disability benefits, and behavioural change through proactive social assistance policies and active labour market policies (Bryson 2003: 79-81; Walker 2005: 34-36). UBI's capacity for compensations would be limited. It is hardly to argue that people with a disability and in need of more money than UBI provides should be satisfied with UBI. In respect to the aim of changing behaviour of people, UBI is antagonistic to this aim. Since UBI is liberating, it would enable people to elude such policies.

Policy objectives, however, can be very similar to system aims but they are more specific. There are mainly three distinctions of objectives. There are primary and secondary objectives. Primary objectives refer to the establishment of benefit schemes that did not exist before. Secondary objectives mean adjustments of existing schemes that are inadequate. Then, there are principal and subordinate
objectives, dependent on the priority of an objective. Additionally, there is also a distinction between open and covert objectives. Open objectives are those which are clearly stated and understandable for the public while covert objectives are difficult to recognise (Walker 2005: 36-38).

Aims as well as objectives can always contradict each other or be in a conflict. For instance, benefits for poor people need to be financed by taxation. Taxpayers might "begrudge their 'hard-earned' income being spent on 'undeserving' poor people (ibid.: 37). In this case the aim of promotion of social cohesion may be impaired. In order to capture such side effects it is necessary to consider different types of functions (ibid.). In relation to the above mentioned aims, these functions are provision of economic needs, maintaining personal circumstances, paternalism, and remedy, reproduction and production of disadvantages.

One function that social security fulfils is the provision of economic needs for individuals. Since individuals rely directly or indirectly on their income from the labour market, social security systems only intend to provide support for a target population. Thereby, it depends on the design of a system if it is able to fulfil its role or if more or less than the targeted population is supported. Additionally, there is no guarantee that social security systems actually meet needs of beneficiaries. Needs are relative and in case of social security, policy makers determine needs. This function also has impact on the collective. It can have a positive impact on the economy as that it aids economic stability (ibid.: 43-44). UBI would always target the whole population. Although its amount is high enough to enable a life in dignity, there would also be situations where UBI does not meet the needs of its receiver as the example of disability benefits suggests above.

Another function is to maintain personal circumstances. If a person becomes unemployed, retires or chooses to drop out of the labour market for education, training or also for caretaking, this person needs a source to maintain her income. As a result especially social security systems of the conservative regime type use earning-related benefits. Their aim is to maintain the accustomed
income in order to avoid a destabilisation of the person's security. But these earning-related benefits have also another function. They maintain privileges and inequality. On the other hand, they create a common interest and thus social cohesion and intergenerational solidarity. But they also enable economic development. Subsidies for parenthood as a form of income maintenance 'generate' future labour forces and taxpayers. Activation programmes such as training or assisted job search, that are often conditional for beneficiaries, also include developing potential (ibid.: 45-46). UBI, however, has similar functions. People would be enabled to take their time for parenting, caretaking or training. Social cohesion and solidarity would be fostered. But on the contrary, inequality would be reduced.

Social security systems have also paternalistic functions. They have impact on work disincentives and moral hazard for instance. The former refers to the circumstance that a person will drop out of the labour market if social security benefits are high enough. The latter means that a person will take a risk as soon as the risk appears manageable. Social security systems are often designed in a way that they reduce both work disincentives and moral hazard. This purpose is based on the assumption that disincentives and incentives result in behavioural changes (ibid.: 48-49), although there is evidence that contradicts this assumption (Deacon 2002; Marmor et al. 1990; Saunders 2005). UBI in comparison would not support a behaviour control function. On the contrary, it has often been erroneously argued that UBI would promote work disincentives and moral hazard (Pasma 2010).

As mentioned above, an important difference between aims, objectives, and functions is their intentionality. Aims and objectives have mostly positive intentions. There are only few historical negative examples such as Germany during the Nazi regime. But functions can result in disadvantages. They have the capacity to remedy disadvantages but they can also reproduce or produce them. Disadvantages are often related to injustice, inequality or social divisions of class, gender, age or ethnicity. For example, disadvantages can be produced by misadministration or means-tested benefits, which are often associated with
stigmatisation. Also, policies that cause poverty and saving traps are examples for the production of disadvantages (Walker 2005: 50-53). UBI, on the contrary, might not have these functions. It might neither create poverty traps nor saving traps. UBI could tackle poverty, thus, it is difficult to imagine that there would still be poverty traps. It would also not require any means-tests that could be used as a reason to reduce UBI. Additionally, administration would be simplified, since everyone receives the same amount.
6. EFFECTIVENESS

As illustrated above, one aspect that addresses whether these aims, objectives and functions of social security systems are actually converted as planned is the question of effectiveness. Effectiveness relates to the intended ideas of social security. Hence, it has to be addressed whether these aims are achieved by different social security schemes (Walker 2005: 113-115). This includes also functions as it was demonstrated above.

In the context of UBI and the research question the questions has to be formulated as follows: Is a social security system with UBI more or less effective in achieving its aims? Would UBI help their schemes to achieve aims of social security systems?

This chapter aims to explore the potential of UBI for the effectiveness of existing benefit schemes in Sweden, Germany and the UK in relation to above demonstrated social security aims and functions.

POVERTY ALLEVIATION

The examination of effective poverty tackling is a complicated task. There is no agreement about the concept of poverty. Many define poverty in relative terms while few prefer absolute terms. In liberal regimes, there is a tendency to define poverty on adequacy and in conservative and social democratic regimes on sufficiency. Walker suggests using adequacy and sufficiency synonymously (ibid.: 132) and concludes:

"[A]dequacy refers to the resources necessary for a unit comprising one or more individuals to sustain a specified, usually minimal or modest, standard of living for specified period. In social security discourse, poverty is generally taken to equate with inadequacy, the antonym of adequacy" (ibid.: 135).

In this respect, reason, duration, kind of beneficiary and extent have to be decided to determine an adequate level for tackling poverty. Walker distinguishes between three main ways: First, normative judgement via the creation of budget standards that are defined by experts as necessary for households. Second, attitudinal assessment. Here, the public's attitudes and opinions are decisive. Third,
arbitrary determination according to existing benefit levels, average incomes, etc. Each of these approaches has advantages and disadvantages (ibid.: 131-149). Since UBI should enable a life in dignity according to its definition, it would be possible to use these three main ways to determinate an adequacy or sufficiency standard. It would also be possible to decide it democratically. But since it has to be examined how UBI would affect existing policies that aim for poverty alleviation in relation to effectiveness, it will be assumed that UBI is adequate or sufficient regardless of determination.

Although Germany, Sweden and the UK have been unable to eliminate poverty, they reduced poverty to a lower level than in the past (Galston 2001: 30). The risk of poverty, however, has not significantly been affected by "shifts within the public-private mix" (Seeleib-Kaiser 2008a: 219). Schemes that aim to maintain or tackle this relatively low poverty rate are social assistance schemes, which provide the needy with guaranteed minimum resources, if they are not entitled for other benefits such as unemployment benefits, the duration of these policies is expired, or these benefits are not sufficient. In order to receive minimum resources, a person has to prove her entitlement. In Germany, minimum resources are provided for people who are capable or incapable for work but are members of a household unit that is not able to create sufficient income for their needs. In Sweden, these benefits are an individual right in principle but the whole household situation is considered. In the UK, the individual is in the centre of these benefits. In case of any dependents, there is the possibility of supplements. Conditions for entitlement differ between each country regarding nationality, residence, age, household members, property, income and other benefits, exhaustion of other claims and exemption of resources. The duration of entitlements is unlimited if required conditions are satisfied. But some benefits generally have a limit of 12 months and are subject of new applications in Germany. In each country, however, people in need have actively to participate in labour market measures such as job search and trainings for example (MISSOC 2012; SSA 2010).
This requirement of active participation in job search and the increased attention to it (Clegg 2008: 151) suggests the above recognised consensus of work as the main remedy of poverty in each welfare regime. It was demonstrated above, these assumptions are not sufficient for current socio-economic conditions in Europe. Existing unemployment rates, outsourcing to low-wage countries, and technological development indicate the utopia of full employment policies (Koehnen 2007). Furthermore, even if people react to the current work doctrine, they do not have a guarantee that they will earn enough from their wage. Social security schemes, which imply stigmatising, coercive measures, and threats for the social security of individuals and their existence, have to be morally questioned.

UBI, on the contrary, would neither stigmatise, nor include conditions, nor threaten the existence of individuals. UBI would create an environment of high decommodification while it protects against poverty as discussed above. It would protect people from market forces, which even constitute a threat for skilled, flexible and adaptable people (Jordan 2006: 133, 190). This would contradict the liberal welfare ideology of the UK due to it promotes a low level of decommodification. It would not be the market that protects people against poverty but UBI and thus the state. On the other hand, UBI would allow a much higher level of individualism than current schemes in the UK due to UBI provides people with options, responsibility and means to liberate themselves from any form of oppression as will repeatedly and more detailed be argued below. This achievement would not only count for those who are successful on the market or have resources but also for those who are unsuccessful and have no other resources. The often criticised role of poverty as punishment would be prevented. In the case of Sweden, UBI would help to achieve these two main goals of decommodification and universal solidarity more easily. Sweden's goal to protect society and individuals against threats by the market would be boosted with these effects. In regard to the conservative welfare regime in Germany, UBI has the potential of both strengthening and weakening the role of its basis, the family. People would have time and resources to concentrate on their families and
relationships. In particular since each family member would gain UBI and could still share costs to minimise their expenses. But they would also have the option to separate themselves from family if they prefer.

INCOME REPLACEMENT

In order to examine effectiveness of income replacements, effects on level and duration have to be considered. A high level and a long duration might enable a person to keep her chosen lifestyle after they lost their primary income source – in most cases earnings from labour –, but it could also lead to work disincentives. This requires considerations for how long it is reasonable to replace this income and how high it should be. It has also to be answered if the focus should be on individuals or rather households. In the latter case, size and additional income or savings of the household also influence the determination of replacement rates (Walker 2005: 117-120).

Each country has introduced different schemes such as unemployment, sickness, paternity or old-age pension benefits for example in order to respond to different life situations that interrupt people's participation in the labour market. These benefits differ in relation to duration, amount and requirements in each country. Sweden and Germany pay higher attention to attain this aim than the UK (MISSOC 2012; SSA 2010).

The income that is to replace is acquired through labour. As this income would always be additional to UBI, it has to be recognised that UBI cannot achieve the aim of income replacement, as it was discussed in the foregoing chapter. UBI, therefore, has difficulties to maintain expectations and living-standards that have been achieved through labour. It is not the aim of UBI to replace income and maintain circumstances but to provide means for the basic needs of individuals. UBI would help where these benefits do not provide protection. For instance, each of these benefits has to deal with work disincentives and moral hazards. Conditions have been implemented in the set up of these benefits as a response to them. For instance, in Germany, a person must be employed for at least 12 months in the last 2 years, in order to qualify him or
herself for unemployment insurance benefits. In order to qualify for basic security benefits for jobseekers, there is no qualifying period but means tests. In Sweden, conditions are employment of at least 6 months or at least 480 hours during a consecutive period of 6 months in the last 12 months, and being able and willing to accept a suitable work for at least 3 hours per day and an average of at least 17 hours per week. There are no means tests for beneficiaries. Job seekers in the UK have to contribute with earnings in one of the 2 relevant tax years in order to qualify for benefits. Means tests are only for income-based but not for contribution-based unemployment benefits. In each country, any beneficiary has to be registered as unemployed and has to actively seek work. Otherwise, they have to face sanctions or suspensions (ibid.). If the aim is to replace income and people who gained income through work but do not fulfil these requirements are left out, the effectiveness of these benefits in income replacement is challenged. Particularly if these benefits are provided by the private sector, which has stricter conditions and avoids any risk (Whitfield 2010).

UBI would not provide a compensation for the loss of these incomes of left-out people but it would protect them. It would also enable people to disregard these conditions and drop out of the labour market earlier. It, therefore, might decrease the disincentives of labour refusal. On the other hand, these conditions ignore intrinsic motivations for participation in the labour market, as it was argued above. Additionally, as it was also noted, current income replacement schemes and their conditions ignore the economic value of non-paid work. A person might drop out of the labour market due to that she wants to engage herself in voluntary community work but disqualifies herself for income replacement benefits due to absence of requirements. The assumption of insufficient incentives to contribution has to be morally rejected. UBI, on the contrary, is not based on such an assumption. It is based on a positive image of humanity that humans want to participate in and contribute to societies (Pasma 2010: 5; Raventos 2007). UBI, therefore, is not able to replace incomes but it helps to overcome shortcomings in British, German and Swedish income replacement benefit schemes. The situation in each country regarding replacement of income acquired from labour, however,
would be rather the same. For instance, if the liberal idea in the UK aims that people should be forced to rely on the market for such income and thus the British benefit system has stricter conditions, then the liberal idea is still intact in this case.

COMPENSATION

The situation of compensation is similar to income replacements but targeted people are rather subject of an unexpected loss of their capacity to participate in the labour market, have physical or mental disadvantages or have incurred additional costs. These benefit schemes have to compensate potential income losses, lowered living standards or inability of economic or social participation. They also have to provide any possible further monetary support for additional medicines, care costs or required expenses for building conversions. Despite that this aim holds for many policies, disability benefits are perceived as the main instrument for the provision of compensations (Walker 2005: 120-129).

Germany has introduced partial and total incapacity pensions. These benefits are based on an individual earning points system. In Sweden, incapacity benefits are paid to people with a loss of at least 25% of work capacity. Sweden provides two different compensations: First, guaranteed pensions, which depend on the duration of residence in Sweden, the amount of income-related pension and the degree of incapacity. The highest possible benefit is SEK 8,560 (€ 938) per month. Second, income-related pensions require an income in Sweden for at least one year. This pension contains 64% of the person’s assumed future annual income. The highest possible benefit per month is SEK 26,750 (€ 2,930). The UK pays compensation benefits to people with at least 20% of work incapacity with an amount of up to GBP 100 (€ 110) per week. Accumulation with other social security benefits is possible in each country if it is necessary and the necessity can be proved (MISSOC 2012; SSA 2010).

Due to the definition of UBI, the word compensation is difficult to apply. As it was discussed, UBI is a right and not a compensation. It, however, can still be investigated how these policies would interact with UBI. In the case of
Germany and Sweden and their income-based system, the situation for UBI is similar to income replacement benefits. Expectations and living standards that could be achieved with income through labour are not possible to replace via UBI. UBI, however, has more potential in the case of the UK and if someone has no work history in Germany and Sweden. Here, advantages and disadvantages of UBI from the discussion about poverty alleviation policies above can be applied because of similar circumstances. For instance, each country has implemented measures to reactivate affected people and has requirements for qualification. The higher guaranteed amount in Sweden and the low benefits in the UK also suggest similar results in regard to decommodification. Additionally, the private market has been criticised for its low potential "to provide actuarially sound and affordable disability insurance for the working-age population as a whole" (Kemp 2008: 167). As it was argued above, this particularly affects the UK. UBI would have the potential to protect affected people. But it has to be recognised that in case required benefits are higher than UBI, the potential of UBI would not be realised.

REDISTRIBUTION

As it was mentioned above, there are four different kinds of redistribution: vertical, horizontal, lifetime and territorial redistribution and their preference depends on the type of welfare state. In order to examine if these four kinds are achieved effectively, it is necessary to define beneficiaries, mechanisms and financial sources of policies. Additionally, an examination requires a counterfactual (Walker 2005: 149-174).

The counterfactual would be UBI, but due to the fact that details about financing of UBI are neither clarified yet nor are the aim of this research, it cannot be applied here. In order to have vertical redistribution, money that is used for UBI would need to move between groups with different incomes. For horizontal redistribution, money would need to be transferred between groups with different needs. Territorial redistribution requires transactions between people in different geographic areas, and life-time redistribution would need intrapersonal transfers.
It is difficult to forecast what kind of transfer UBI would include. In particular as each of them is possible. There is, however, evidence "that the lower the degree of targeting at low-income groups, the greater the redistribution (Korpi et al. 1998: 667). Since UBI includes all income groups, it is reasonable to argue that a higher redistribution could be achieved.

Redistribution also addresses inequality in societies. Sweden achieves a higher equality among its citizens than Germany or particularly the UK due to higher redistribution (Korpi et al. 1998). But as it was illustrated above, inequality has increased everywhere in Europe and UBI offers a way to close this equality gap.

This argument requires the consideration of an important distinction between equality of outcomes and equality of opportunity. The former is rather the aim of social democratic regimes. Liberal and conservative regimes rather aim for the latter (Walker 2005: 34). According to the set up of UBI, UBI would offer rather equality of opportunity than equality of outcome. It, therefore, would correspond to the ideological foundation in Germany and the UK.

Equality of opportunity as only principle has been criticised as insufficient to compensate injustices and that further measures are required to attain equality of outcome (Fitzpatrick 2001: 26). But UBI does not contradict this claim. UBI could always be supplemented with additional policies and taxes to create equality of outcome. As it has already been argued, it requires such policies in order to generate a higher effectiveness in other social security areas.

RISK PROTECTION

The aims of poverty alleviation, income replacement and compensation include also the aim of risk protection. Social security systems particularly protect people against economic risks. It is reasonable therefore to apply considerations and arguments in regard to effectiveness of these aims at the effectiveness of the protection against risk (Hacker 2008: 5).

It was illustrated that the UK provides less benefits and for a shorter duration and under stricter conditions than Germany and Sweden. Additionally,
the UK uses private insurances more intensely and these insurances have problems to cover people's needs. These conditions of low decommodification together with increased rivalry in market societies (Layard 2005) have often been criticised as trigger or intensifier of risk (Hacker 2008; Jordan 2006).

Germany and particularly Sweden achieve a higher level of decommodification. But as it was noted above, a higher competition on the labour market is also part of people's challenges in these two countries nowadays. This development and the fact that conditions for the entitlement of benefits are connected with labour market performance create higher economic and social risks of downward mobility and other disadvantages (Scherschel et al. 2012).

UBI, on the contrary, does not have this connection to the labour market. People would not depend on available jobs and their performance on the labour market. Above elaborated arguments about the desirability of UBI in relation to risk protection, therefore, are reasonable. UBI has the potential to protect people against 'traditional risks' such as poverty. Furthermore, it also has the advantage to be able to protect against 'new risks' such as work-life balance. But in two cases problems would occur. First, in cases where a higher income is necessary as in the above discussed case of disabilities for instance. UBI would insufficiently protect against the risk of illness if expenses are higher than UBI. Second, in cases a person wants to have or maintain a higher living standard but does not find an opportunity for this. UBI cannot protect against unfulfilled expectations beyond it. This second case, however, is mainly covered by income maintenance policies such as unemployment benefits.

In this regard, UBI provides a better effectiveness in risk protection in cases of basic needs. It is better as a protection against risks such as of poverty or other threats of well-being. Additionally, it can protect people whose lifestyle is not according to the lifelong working history dogma of current social security schemes such as volunteer workers, caretakers, artists, lone parents, etc. On the other hand, current social security benefits more effectively cover higher expectations or additional needs. It is therefore reasonable to argue that UBI and current policies in each country complement each other in risk protection.
SOCIAL COHESION

As it was demonstrated, each country uses several conditions for the entitlement of benefits. These conditions often aim to legitimate the support of taxpayers who mainly finance the social security systems due to the concern that unjustified benefits diminish this support and would cause "tax revolutions" (Korpi et al. 1998: 682). In particular in liberal welfare regimes, this argumentation has found endorsement (Walker 2005: 37). The higher utilization of means-tests in the UK is a good example for this predominant opinion there.

These conditions, however, are selective. They exclude people from an economical and social secure participation (Standing 2009: 306). They split social groups and place them opposed to each other in a competitive environment. While some people in need of benefits are entitled, other people who would also be in need are not entitled but have to support these others through their taxes (Korpi et al. 1998: 663). It, therefore, is difficult to argue that such an environment creates social cohesion.

Research on equality has demonstrated that this argument for targeting specific social groups is not justified. There is empirical evidence that universal benefits are better than selective programmes in fostering social solidarity due to "encompassing institutions pool risks and resources of all citizens and thus create converging definitions of interest" (Korpi et al. 1998).

UBI is also based on this universal principle. It is reasonable to argue, therefore, that these arguments also apply to UBI. As mentioned above, UBI would enable people to more easily involve themselves in volunteer, care or community work, or strengthen their social relations such as families or friendships. This interaction creates social capital and thus trustworthiness and social solidarity (Jordan 2006: 194-195).

Sweden and Germany would therefore profit from UBI according to their welfare ideologies. If liberty is accepted as common good and thus as basis for social cohesion in the liberal welfare state of the UK, then a similar positive
conclusion can be drawn. As it was discussed above, UBI provides people with basic needs and enables people to live independently and according to their individual ideals.

In addition, there is the argument that ex-post security is based on charity or fear while ex-ante is based on "compassion and a broad concept of social solidarity" (Standing 2009: 305). The implementation of UBI would be an indicator of already existing social solidarity and would further foster it.

BEHAVIOURAL CHANGE

Current social security policies are often criticised as paternalistic. They would have stricter behavioural controls, more directive activation programs (Clegg 2008: 151) and use poverty as "an appropriate punishment" (Pasma 2010: 5). That these controls and programs are used in each country could be illustrated above and will further be outlined below. These instruments, however, ignore that "fear, feelings of powerlessness, low self-esteem, lack of resources, poorly designed government policies and programs, addiction, past or present abuse, mental illness, and physical disabilities can all overwhelm and immobilize a person" (ibid.: 6). Insecurity makes people more vulnerable to morally wrong decisions and intolerant (Standing 2009: 302, 309).

Since UBI is unconditional, it would not have such paternalistic attributes. It would encourage and empower people and provide them with basic resources. UBI would enable people to participate in the public life and to engage themselves in their social and political environment. It would also promote more tolerance for minorities and trust in other people due to that trust is highly dependent on the possibility of influence (Jordan 2006; Saunders 2005; Standing 2009).

Resources and their distribution are mainly controlled by few (Jordan 2006: 145). This circumstance enables exclusive groups to control others who depend on these resources and the decisions of those in power. UBI would help to emancipate oneself from this dependency and to create an environment where they could protect themselves against any unwanted control by others (Standing
It would help people to achieve more self-control in their lives. UBI, therefore, would challenge existing power structures. Instead of being controlled, UBI would enable people to control those in power as people could spend more time in politics and could not be forced to engage in unwanted labour participation. It would also help disadvantaged people against paternalism and oppression in families (Alstott 2001).

In this respect, UBI would make it more difficult for policy makers in the UK, Germany and Sweden to change behaviour of people with threats and punishment and forces them to change their policies to more positive encouraging and motivating attributes. It would help people to build solidarity in their families and communities, and to liberate themselves from any unwanted oppression.
7. EFFICIENCY

Efficiency is the other aspect that addresses whether these aims, objectives and functions of social security systems are actually converted as planned. It relates to the performance of a policy itself. Hence, it has to be examined how well these aims are achieved and what side effects have different social security schemes (Walker 2005: 113-115). This also includes functions as it was demonstrated above.

In the context of UBI and the research question following questions have to be answered: Would UBI help their schemes to achieve these aims in a better way? Would there be more or less negative side effects?

This chapter aims to explore the potential of UBI for the efficiency of existing social security schemes in Sweden, Germany and the UK. In order to examine whether a social security system performs as it is supposed to do, three issues have to be considered: cost effectiveness, social efficiency and opportunity costs. If a policy objective can be attained at minimum cost, the policy achieves cost effectiveness. If costs are higher than necessary, resources are wasted. Resources that may be used for the achievement of other policies’ objectives. But it is important to understand that although a policy is cost effective, there is no guarantee that there is no other potential policy that achieves better benefits for the same costs. A policy, thus, also has to meet the goal of social efficiency. This is achieved with the maximisation of net social benefits; social benefits minus social costs. At one point the increase of social benefits is not perceived as a gain anymore due to the fact that increased expenditures and their realisation through taxes cause too much harm. In this case net social benefits become less with further increase of social benefits and social costs. Additionally, these expenditures could have been used for other social policies and therefore represent high opportunity costs (ibid.: 177-179).

These issues have to be considered in relation to the three efficiency aspects of targeting, economy and administration (Walker 2005). First, it will provide knowledge whether targeted populations and populations in need receive their benefits as social security systems aim. This also provides a social dimension,
since it addresses inclusion and exclusion. Second, it will explain the response capacity of these systems to incentives or disincentives. Additionally, it addresses whether these systems are able to deal with poverty, unemployment and saving traps. Third, it considers administrative aspects that have high impact on cost effectiveness and thus on opportunity costs for benefits.

TARGET EFFICIENCY

Target efficiency can be divided into internal and external targeting efficiency. The former refers to the relation between target and recipient population. The latter refers to the relation between populations in need and recipient populations. Both can be divided in horizontal and vertical efficiency. For instance, horizontal targeting efficiency means "the proportion of the target population in receipt of benefits" (Walker 2005: 180), and vertical targeting efficiency "the proportion of benefit recipients who are actually eligible" (ibid.: 181). In order to achieve a high internal targeting efficiency, problems with mismatches in target populations, instabilities of circumstances, fraud and abuse, administrative errors and measurement errors have to be addressed. A high external targeting efficiency requires adequate benefit levels and coverage, and a decrease in obstacles for people in need to claim benefits (ibid.: 180-200).

Whether a social security policy includes or excludes individuals from entitlements depends on the policy's setting. Any policy has some qualifying conditions, which range from legal status, relatives, residence, tax contribution, work history, incapacity for work, age, result of means-tests, to willingness to participate in the labour market and others. They have an impact on target and needy population and thus on internal and external targeting efficiency. For instance, unemployment benefits as were demonstrated in the foregoing chapter. If a person has worked or contributed less than required years or fails to qualify in another criterion, she has the possibility to apply for guarantee minimum resources in each case. Nevertheless, if the aim is to maintain income, these people would be excluded from unemployment insurance benefits. They are not included in the target population and horizontal internal targeting efficiency
would suffer according to its definition above. On the other hand, as it was recognized above, these qualifying conditions aim to challenge frauds and abuses. They have the priority to keep vertical internal targeting efficiency as high as possible. Both result in lower opportunity costs and higher cost effectiveness. In case of an implemented UBI, nothing would change in both internal targeting types due to the setting of UBI. As it was explained above, UBI does not replace these policies except of minimum resource policies. But in this case, the concept of target efficiency is hardly to apply as UBI is a right for every individual as it was demonstrated above. There is no target population in that sense. Either everyone is a target or no one in particular. But, if the target population should be defined as those people who would face poverty if there is no UBI, in case of an implemented UBI, then vertical internal targeting efficiency would be low and horizontal internal targeting efficiency would be maximised as every person and every potential poor person would receive UBI. It, therefore, would also result in higher opportunity costs and lesser cost effectiveness. The money that is used for people who are not potentially poor could be used for other objectives.

But more interesting for the research problem than internal, is external targeting efficiency. While internal focuses on targets, external targeting efficiency focuses on population in need. Regardless if a person is a target or not, she can always be in need of benefits. Additionally, there is no guarantee that a targeted person receives benefits as much as this person would need, as it was discussed above. For instance in case of unemployment insurance schemes, Germany provides beneficiaries with children with 67 per cent of net earnings and beneficiaries without children with 60 per cent. In Sweden, beneficiaries receive 80 per cent of their earnings for the first 200 days and 70 per cent for the next 100 days. The UK’s contribution-based benefits contain GBP ~67 (~€ 75) per week for beneficiaries older than 24 years and GBP ~53 (~€ 59) per week for younger people. Income-based benefits vary according to income, age and household circumstance (MISSOC 2012; SSA 2010). This example illustrates that these benefits rates are very universal. In case of Germany and Sweden, a person with a very low income might have serious problems to survive with only 67/60 or 80
per cent of her former income. In the case of the UK it is more extreme. The UK does not distinguish between different individual situations. Only age is a determinant for two different rates for contribution-based benefits. It is in this case difficult to argue that different kinds of needs are covered. Especially when the low level of these benefits is considered that a person can expect. A person has the option to apply for income-based benefits, but they require means-tests. Instead of perceiving security, individuals face a higher risk here (Hacker 2008).

UBI, in contrast, would always guarantee an adequate sum that is paid regardless of any condition and would help to meet basic needs at least. As noted above, it would be exaggerated to argue that UBI can cover any need of individuals. But in case that there are individual requirements that are higher than the amount UBI could cover, affected people could always count on their UBI at least in contrast to gaining nothing if they fail to prove their demand on benefits. In particular, due to that there also are problems with definitions of conditions. For instance, in case of disability insurances, medical tests are required for a beneficiary to prove if she is incapable to work and thus entitled for benefits. Despite the discriminating aspects, this requirement contains two other problems: First, as types of work and their requirements vary; a person might be incapable for some types of work but not for others. Second, it is impossible to prove every inability (Kemp 2008: 165). Errors in administration or measurement, thus, cannot be precluded. The more means-tests are part of policies, the more errors can be expected. It, therefore, is reasonable to assume that UBI would help to stem these errors and help policies to gain a high horizontal external targeting efficiency despite a negative impact on vertical external targeting efficiency. It would be easier for policies in each country to address the population in need. Since the UK applies more means-tests than the other two countries, this can be expected more in the case of the UK as Sweden and Germany have already an advantage here. It, however, has to be stressed that the result might be that the cost effectiveness might be less. On the other hand, there are higher social benefits due to less social risk and discrimination. This makes it reasonable to invest in UBI and keeps its opportunity costs low in this regard.
Additionally, different settings of policies also affect target efficiency. As it has been argued above, there can be differences in provision, finance and regulation of social security policies. In particular the UK has seen a decline in direct state provision and "moves towards 'market provision" combined with "an overall increase of regulation in many areas" (Powell 2008: 28). The state responsibility might not be reduced with these shifts (ibid.: 31), but it implies another problem that affects the potential of UBI. Dexter Whitfield stresses in his analysis of Public Private Partnerships (PPP) that "the UK leads the world in the privatisation of public services and use of PPPs for infrastructure" (Whitfield 2010: 149). A list of services includes also those relevant for social security. He concludes that many of these privatised programs do not keep their promises regarding fairness, equality and quality. Peter A. Kemp (2008) also criticises the capacity of the private market to provide required insurances due to adverse selection and moral hazard. A state faces similar problems as mentioned above but is not tied to market rules as companies. Individuals who appear as a potential risk for insurance companies are either ignored by these companies, or the companies increases their costs or transfer back the risk to the state (Kemp 2008: 166; Whitfield 2010: 243). In either case, individuals face the risk to be excluded from the population of recipients. UBI has again the potential to stem this risk and lift social benefits, but it will depend on the amount of UBI how much risk UBI could be able to cover.

ECONOMIC EFFICIENCY

The other aspect, economic efficiency, refers to effects of social security schemes on a society's economy. It has often been argued that social security has a negative impact on economies. It reduces work and saving incentives. The former leads to an increase of benefit dependency and lower employment rates. The latter leads to low rates of saving and levels of investments. In both cases, economic growth is negatively affected (Murray 1984). Although this assumption still finds support, it is also challenged. Social security can positively affect rational decision-making, productivity, health or social distress in times of economic
crises. This negative assumption, however, brings up the important point of
incentives for economic efficiency. Any social security policy creates incentives
or disincentives. The latter harms economies and thus economic efficiency of
social security systems. Three main forms of disincentives are unemployment,
poverty or saving traps. Poverty traps have been explained above. Saving traps
mean when existing savings of a person negatively affects her entitlement for
benefits. Unemployment traps refer to a situation where an individual only
improves a little of his or her financial situation with extra labour. An individual
may not perceive labour as useful and prefer his or her beneficiary status. In order
to avoid these traps, factors such as benefit dependency, duration of benefits, the
level of reservation wages, and the social environment of an individual, but also
behaviour directed measurements for the response on disincentives such as
conditionality, means-tests and activation programs need to be considered
(Walker 2005: 201-228).

Each country has implemented these responses. In particular, means-tests
and activation programs have gained more attention by governments in recent
years (Clegg 2008: 151). Sweden, and also Germany, use them less extensive than
the UK does. While Sweden and Germany do not have means-tests for their old-
age and family benefits, the UK has them for some of its benefits here. For
instance, tax-financed pension credits for people over age 60 or birth and adoption
grants. The UK and Germany also use means-tests for some of their
unemployment benefits as mentioned above and for some long-term care benefits,
such as for social care or social assistance. All countries, however, have
implemented several means-related conditions for the entitlement of guaranteed
minimum resources if the duration of other policies is expired or their benefits are
not sufficient. These means-related conditions differ in respect to property,
movable assets, income and other benefits, exhaustion of other claims, and
exemption of resources (MISSOC 2012; SSA 2010).

With UBI, these means-related conditions for minimum resources would
be obsolete in all three countries as UBI would provide individuals with them.
UBI, therefore, would reduce the need for means-tests and caused stigma by these
tests as it was elaborated above. There is no guarantee that governments waive to use means-tests for other policies. As mentioned above, the UK uses them to some extent in other areas and Germany to a lesser extent. It, however, can be assumed, that the situation improves even in these cases. Currently, people in need do not have any decent options. They either accept their stigmatisation and discrimination by these requirements of benefits, or any paid work even if this work has bad conditions or is low-paid (Jordan 2006: 79). UBI, in contrast, would enable people to have a choice between an application for additional benefits, employment regardless of payment or working conditions, or to avoid both of them (Standing 65: 309).

Other areas such as family benefits can also illustrate the potential of UBI for possible disincentives to work. No country has any variation with income for child benefits. But additional child tax credits and child care allowance in the UK, and child-raising allowance in Germany depend on the parent's income (MISSOC 2012; SSA 2010). Similar is the situation in other policy areas such as maternity/paternity for instance. In these cases it is possible for people to gain fewer benefits if they earn too much. According to the disincentive theory, these people would aim to earn less or nothing in order to qualify for potential benefits. Whether this would actually happen is questionable as it was discussed above. But since it affects economic efficiency, it is noteworthy to address. UBI, however, would not directly affect these disincentives, as they are not created by UBI but by these benefits. But as children would also receive UBI, it is reasonable to assume that some people would not apply for these benefits in order to avoid income-tests or other bureaucratic obstacles. Their social costs would be too high. These people would not respond to disincentives but waive these benefits.

As it was demonstrated above, all these conditions can create employment, poverty or saving traps and therefore affect economic efficiency of social security policies. In the current systems, people have to be aware about accumulation of earnings from labour if they apply for unemployment benefits for instance. While Germany and the UK allow them such earnings, it is not possible in Sweden. In Germany, additional income also has a negative impact on the amount of
entitlement (MISSOC 2012; SSA 2010). People, thus, face the risk to earn enough money to disqualify them for benefits. Additionally, income through labour can only have the same level as out-of-work benefits and therefore can create disincentives to work because of high opportunity costs. Here the situation is similar to other disincentives as demonstrated above. UBI would keep opportunity costs low. Their income would be additional and it not possible to be in an unemployment trap.

UBI would also change the situation in regard to poverty traps as it was elaborated in the section about desirability of UBI above. Furthermore, there is the argument that schemes for people in poverty motivate people near to poverty to become poor in order to qualify for these schemes (Standing 2009: 306). UBI would put a brake to such motivation as everyone receives UBI and there is nothing someone has to qualify for it. No one would be motivated to act against her desire to participate in and contribute to a society as conditional welfare can do (ibid.: 309).

The situation in regard to saving traps would probably not be affected. Although each country takes savings into account for the entitlement of minimum resources, this requirement can be ignored in this case as UBI would make the existence of these benefits redundant. The countries that use savings as a condition are Germany and the UK. In Germany, savings can hinder people from getting unemployment benefits in some cases. In the UK, it affects their income-based unemployment schemes or pension credits (MISSOC 2012; SSA 2010). UBI may make it easier to create savings, but it would not affect this situation. Saving traps, therefore, would neither be reduced nor eliminated in cases of other policies than guaranteed minimum resource schemes.

In this respect, as UBI is better able to eliminate unemployment and poverty traps than existing schemes in each country, it has the potential keep opportunity costs low and make social security policies more economically efficient. This would not apply to any policy to the same extent, but for key policies such as unemployment benefits. Since UBI would particularly abolish or at least soothe negative impacts of means-test, it is reasonable to argue that UBI
has more potential in the UK and Germany than in Sweden. Both the UK and Germany – the former to a greater extent – use means-test much more than Sweden. Sweden's policies profit from their universal characteristic and lower level of decommodification. In particular, the latter is important for security as success in a market system benefits from possessing assets (Jordan 2006: 135). UBI would enable such assets. This is even more important if increased shifts toward market provision and shortcomings in privatised programs in the UK, as demonstrated above, are considered. Sweden's efficiency, nevertheless, would also profit from UBI due to UBI's effects on poverty and employment traps.

Additionally, there is evidence that activation programs fail what they promise. They have achieved neither reintegration into the labour market nor social inclusion. On the contrary, they have caused unsecure und poorly paid jobs (Scherschel et al. 2012). These programs could also become obsolete with UBI. Investments in these programs could be saved and used for other projects. Cost effectiveness, therefore, could improve.

It, however, cannot be denied that UBI could create disincentives to work as other policies. This is often the subject of discussions as it was mentioned above. But although results from the pilot project in Namibia are difficult to apply here, first findings suggest that UBI can stimulate economies (MISSOC 2012; SSA 2010). Furthermore, volunteer and care work would profit from UBI as mentioned above. This would also foster social efficiency due to their potential for social capital. In this case, however, it has to be recognised that the discourse of work needs to change. Otherwise, volunteer and care work will continue to be insufficiently recognized in regard to their economic and social value, as demonstrated above.

**ADMINISTRATIVE EFFICIENCY**

The third aspect, administrative efficiency, is about delivering benefits and services. On the one hand, these benefits have to be delivered in order to attain above mentioned aims with maximised usage of resources. On the other hand, these aims have to be attained at minimised costs. This requires correct and timely
transfers, maximised usage of existing resources and respectful and appropriate
treatment of beneficiaries. In order to achieve high administrative efficiency, three
tasks have to be fulfilled. First, it has to be guaranteed that the performance on
intermediate outcomes and objectives is maximised. These outcomes contain tasks
such as efficient processing of applications, quick response, correct entitlement,
user efficiency, communication and interaction, and reduction of fraud. Second,
qualified personnel and appropriate technical equipment have to be provided. For
instance, poorly trained personnel may have problems to perform the presented
tasks properly. On the other hand, overqualified personnel may absorb resources
that could be used somewhere else. Third, it requires performance management
that creates accountability and transparency. This happens on the basis of
internally and externally defined criteria. Although externally defined criteria are
not very established yet, there are cross-country comparisons based on definitions
of international agencies such as the ILO (Walker 2005: 229–253).

UBI would have several advantages in comparison to existing benefits
schemes in regard to administration (Raventos 2007: 119; Standing 2002: 212,
217). First, nobody would have to apply for it and thus no one would have to
prove if a person is member of a scheme or in need. Second, as every person gets
the same amount each month, it would not take the same effort to deliver UBI
accurately, adequately and in time. Third, UBI could be transferred automatically.
No one would be in a situation where she is treated disrespectfully. This would
avoid any stigmatisation from administrative personnel. Fourth, since UBI is a
right for everyone, measures against fraud are not necessary. Fifth, sophisticated
technology and a high number of qualified personnel could be avoided due to the
first five points. Sixth and last, accountability and transparency would also be
high. It would be very easy to control if someone has received her UBI.

UBI would not affect other social security schemes explicitly. These
schemes would still be executed with the same performance as nowadays. They
would be run with the same cost effectiveness, social efficiency and opportunity
costs. But due to that UBI would replace guaranteed minimum resource schemes,
it would positively affect the general administrative efficiency in each country.
Each country uses means-tests in order to prove the entitlement for these benefits (MISSOC 2012; SSA 2010). Means-tests are more expensive than other routes of entitlement. They require more resources and a high level of performance in order to be effective (Walker 2005: 252). These resources could be saved with UBI and help to reduce both economic and opportunity costs. Additionally, as mentioned above, means-tests are often perceived as a stigmatisation of beneficiaries. Social benefits attained through social security entitlements suffer from means-tests (ibid.: 197). UBI, which does not require means-tests, would therefore help to reduce social costs of individuals.
8. CONCLUSION

The intention of this research was to examine if and how UBI could support social security systems in the UK, Germany and Sweden that they are able to achieve their aims and fulfil their functions more effective and efficient, and thus to improve the currently insufficient social security. This required, first, the deconstruction of UBI and examination of its characteristics and arguments for and against UBI in order to create a theoretical understanding about what has to be expected from UBI. Second, as welfare regimes are related to the shape of a social security system, different types of welfare and their conceptions had to be subjects of this research. The results of this examination were expected to provide an understanding of differences between welfare types and thus between social security systems. Third, social security systems intend to achieve several aims and functions. The clarification of these aims and functions had to be another goal. Fourth, since effectiveness and efficiency describe the state of achievement of these aims and functions, both were necessary for the answer of the research question.

With this design, the study more generally found that the requirements of unconditionality and universality separate UBI from existing social security benefits. As noted above, UBI is a right that "enables a life in dignity, imparts security, and creates meaning according to one's own will". It does not rely on the established ideology in European societies of paid work as the main source for security and has thus advantages in an environment with an eroded labour market. It was also examined that UBI's 'guaranteed base' cannot fully substitute all existing benefits. Despite this shortcoming, UBI would improve the situation of the unemployed, employees and employers. Unemployed people would have a guaranteed economic base. Employees gain better bargaining and working conditions and low opportunity costs. Employers profit from less risk in competitive markets. Additionally, in opposition to benefits, UBI would support work that is not labour. In regard to the often used obstacle 'increase of leisure', it could be argued that leisure itself is not bad, that it is better to equally distribute it
instead of only enabling privileged people to enjoy it, and that the assumption of an increase is not justified.

More specifically, the study found that social security systems in the UK, Germany and Sweden would profit from UBI in order to achieve their aim of poverty alleviation. Their current minimum resource schemes are ineffective since they use several requirements that limit their outcome. UBI does not have these limitations and thus is more effective.

Since economic and social developments make it difficult for investigated systems to provide basic needs of people, they face higher risk. Despite the incapacity of UBI to protect people with high expectations and higher living standards, UBI would be better able to provide these basic needs and thus pull risk away from people. This counts for traditional as well as new risks.

The study also found that UBI does not split social groups in comparison to other schemes. On the contrary, UBI is a better source of social capital and therefore social cohesion. It would also help people to liberate and empower themselves. Thus, UBI does not enable behavioural controls as other schemes.

Regarding redistribution, the study found that UBI would produce equality of opportunity but not equality of outcome. In this case, it would address the equality understanding of the UK and Germany, and would need above mentioned supportive measures to achieve the equality understanding in Sweden.

Such supportive measures would also be necessary for the aims of redistribution and compensation. Here, UBI has limitations to achieve these aims due to its setting. It, however, would support other schemes with these aims due to that it would protect those people who are ignored by these schemes.

It was found that UBI provides high decommodification. This corresponds to the Swedish and German welfare regimes but contradicts the British welfare regime. On the other hand, UBI enables a higher level of individualism in comparison to current schemes in the UK. This counts particularly for members of lower and middle classes. The UK is therefore confronted with a decision between higher decommodification and higher individualism, especially for people on the bottom in its social hierarchy. Since higher universal solidarity and stronger social
relationships are effects of UBI, the basic principles of Sweden and German's welfare regime profit from UBI.

Furthermore, the study found that UBI creates lower vertical and higher horizontal targeting efficiency, both internally and externally, in contrast to other schemes. It closes poverty and unemployment traps created by them but is limited in regard to saving traps. This also reduces work disincentive of other policies. Means-tests and activation programs would become mostly obsolete and therefore people would be confronted less by stigmatisation from social security schemes. Additionally, UBI has advantages in administration efficiency. This would not affect other schemes explicitly; but due to that it replaces minimum resource schemes with their means-tests and other cost intensive measures, it would help the general administrative efficiency in each country.

These effects will particularly make the British social security system and its reliance on private provider, but also the German and Swedish system, more socially efficient and thus keep their opportunity costs low. On the other hand, cost effectiveness might suffer but not necessarily. As a universal right, UBI would be paid to everyone, but expenses for means-tests, activation programs and administration could be saved.

With these on theoretical considerations based findings, it has to be concluded that UBI would improve the effectiveness and efficiency of the social security systems in the UK, Germany and Sweden. It would help them to achieve their aims and fulfil their functions better. This would count less for income replacement and compensation, and not at all for behavioural changes and paternalistic functions, but for all others, such as poverty alleviation, risk protection and social cohesion. In regard to effectiveness, this would particularly apply to Sweden, since UBI would address its two welfare characteristics of high decommodification and universal solidarity. In the case of the UK, the result is controversial. UBI would positively affect the potential for individual prosperity, but it would challenge the ideal of low decommodification regarding basic needs. In regard to efficiency, the UK would profit most here since its current conditions
provide less social security. Sweden would profit less but due to their above mentioned limitations it would be still profit.

Although the realisation of UBI might sound impossible to some, the potential benefits found in this study, with the implementation of UBI, might represent another major advancement for societies – in line with the abolition of slavery two-hundred years ago. UBI is another desirable step towards the achievement of Liberté, Égalité and Fraternité.
EXECUTIVE SUMMARY

This research discusses the idea of a universal, unconditional basic income (UBI) as a possible solution to the problem of increasing social and economic risks for individuals in European societies. It argues that existing social security systems have been challenged. Firstly, old risks such as unemployment have been increased, while secondly, more heterogeneous lifestyles have been established. As present, social security systems are still based on the assumption of a homogenous lifestyle, these so-called new risks are beyond their capacity. Social cohesion and social peace that are maintained by social security systems are therefore threatened and this threat requires additional means such as UBI is capable to deal with these problems.

It is, however, expected that the effects of UBI depends on conditions (Jordan 2006: 252), which are created by social security systems according to the preference and realisation of their aims, objectives and function (Walker 2005). In this respect, this study intends to examine the hypothetical potential of UBI to support different European social security systems that they are able to achieve their aims and fulfil their functions more effective and efficient, and thus to improve the currently insufficient social security.

The United Kingdom, Germany and Sweden shall be focused on, due to the dependency of social security systems in their respective welfare type. An established welfare typology for the categorisation of welfare types is Esping-Andersen's welfare regimes. He differs between the liberal, conservative and social democratic welfare regime and each of these countries belong to one of these regimes: the UK belongs to his liberal, Germany to his conservative and Sweden to his social democratic welfare regime.

Since empirical data about UBI is rare, insufficient or unrepresentative, this study is based on a theoretical and normative discussion, which is guided by following the questions: What is universal, unconditional basic income and what can be expected from it? Where do social security systems differ? What are their aims, objectives and functions? How can effectiveness and efficiency of them be
understood? And how may universal, unconditional basic income improve their effectiveness and efficiency?

This study elaborates after the examination of several definitions that unconditionality and universality are important requirements for UBI as a right. If UBI would be conditional or limited, it would not differ from existing social security schemes, which are only limited rights due to their requirements of contribution and verification (Standing 2009: 299). It, however, also argues that UBI's guaranteed base, which enables "a life in dignity, imparts security, and creates meaning according to one's own will", is not able to cover all needs of individuals. Needs are subjective and can be beyond this guaranteed base. UBI, therefore, has to be assisted by further supplemental benefits instead of being a "full substitute for existing conditional transfers" (van Parijs 2001: 8). Additionally, the study explains that forms such as negative income tax and stakeholder grants have limitations and thus fail as alternative options. Similar, if the UBI were to be too low, requiring additional income to live in dignity, the desirability would be harmed.

In regard to the desirability of UBI, the study indicates protection against poverty, risk and stigmatisation as main advantages in comparison to existing social security programmes. These programmes would rely on the dogma of "paid work as the main resource for income and as protection against poverty" and "lifelong work history". But current economic developments, such as an increase of unemployment rates, outsourcing and technological progress, makes it impossible for all people to live according to this idea and left them in an insecure environment. UBI offers an alternative to overcome both old and new social risks due to it breaking with the relationship between income and work. It also improves the situation of both employees and employers. Former ones could expect better working conditions. Latter ones face less pressure in competitive markets. Further, UBI enables people to engage themselves in more meaningful and self-determined activities since they would have resources to choose from. Current activation programmes primarily aim to lead people back into labour regardless of the meaning of the work for affected individuals. Traditional welfare
and social security programmes also ignore the value of care work and other unpaid work. UBI is expected to foster such engagement with the provision of people with resources. It is also expected that UBI will help people to liberate themselves from coercive power and offer opportunities. Additionally, this study dismantled the often expected increase of leisure with normative arguments and time-use surveys.

The analysis of this study is based on Esping-Andersen's typology of welfare regimes and the concept of mixed economy of welfare. Historical and institutional developments have shaped welfare and thus social security systems. Results of these developments can still be found in Esping-Andersen's typology of welfare regimes despite well-documented shortcomings: the UK still has a welfare system that is based on individualism and low decommodification. Sweden's welfare is shaped by universal principles and high decommodification. Welfare in Germany is still based on corporatist solidarity. It, however, is argued that the three dimensions of provision, finance and regulation with consideration of different state, market, voluntary and informal actors help this study. Alongside Esping-Andersen's welfare regimes, it enables the considerations of differences between these countries regarding their effectiveness and efficiency of social security aims that would be ignored otherwise.

With this theoretical foundation, the study analyses major aims and functions of social security schemes in the UK, Sweden and Germany in regard to effectiveness and efficiency. These are as follows: alleviation of poverty, income maintenance and replacement, compensation, redistribution, promotion of social cohesion, protection against risk, and behavioural change.

In regard to the effectiveness of poverty alleviation, the study examines that guaranteed minimum resources are very conditional in each country. They differ regarding property, income, other benefits, participation etc., but they are all based on the above mentioned consensus of work as "the main remedy of poverty in each welfare regime". Since no country is able to guarantee sufficient paid labour, they fail to alleviate poverty. UBI, on the contrary, is not connected with the labour market and thus able to achieve this aim. This, however, contradicts the
liberal welfare ideology of the UK and its aim of low decommodification. On the other hand, a higher degree of individualisation would be achieved with UBI and would support the other aim of the UK's welfare regime. Such contradiction is not expected in regard to the Swedish and German welfare ideologies. High decommodification, universal solidarity and strong social relationship could easily be achieved with UBI.

Regarding income replacements and compensations, the study examines that the potential of UBI is limited due to its set up. UBI does not replace or compensate income but provides for basic needs. Due to all three countries also having requirements for the entitlement of benefits that replace income and provide compensations, there are people who are not protected. This particularly counts for provision by the private sector with stricter conditions. In these cases, UBI helps to overcome these shortcomings in the income replacement and compensation benefit schemes. It, however, is argued that UBI is not able to protect people with high expectations and living standards here.

The study also states that higher redistribution and thus higher equality could be achieved with UBI. It recognises that there is a difference between equality of opportunity and equality of outcome. The former can be found in liberal and conservative regimes. The later can be found in social democratic regimes. UBI would create equality of opportunity and thus correspond to the ideological foundation in Germany and the UK. This indicates that additional policies are required in order to create equality of outcome.

Argumentation and results from the former findings about poverty alleviation, income replacement and compensation can also be applied on risk protection. The study demonstrates that "UBI provides a better effectiveness in risk protection in case of basic needs" and additionally regarding new risks. On the other hand, there are limitations in the protection of people with higher expectations and living standards. UBI and current policies in each country, thus, complement each other here.

The examination of the social cohesion aim results in a further argument for UBI which would help to create social capital and thus social cohesion. This
would correspond to the welfare ideologies in Sweden and Germany. In the case of the UK it will depend on if liberty is accepted as a common good.

Liberalisation and empowering of people are two other features of UBI in comparison to current social security schemes. This would make it more difficult to change the behaviour of people with threats and punishment. Policymakers in the UK, Germany and Sweden would have to change their policies in order to create a positive encouraging and motivating environment.

In regard to efficiency, the study examines three main aspects of efficiency: target, economic and administrative efficiency. This requires the consideration of cost effectiveness, social efficiency and opportunity costs.

UBI would create lesser vertical and higher horizontal internal and external targeting efficiency due to every person receives UBI. This would result in higher opportunity costs and lesser cost effectiveness. Additionally, it would be easier to include people that need benefits for other policies. Despite there will also be lesser cost effectiveness, higher social benefits and thus lower opportunity costs for other policies are the result. The consideration of private providers of benefits in the analysis supports this result.

It positively affects economic effectiveness of social security schemes, since it closes poverty and unemployment traps that are created by them. It has limitations regarding saving traps but work disincentives that are produced by these schemes would be reduced. The usage of means-tests and activation programs would also become mostly obsolete. Beneficiaries, therefore, are confronted with less stigmatisation. These developments result again in higher social benefits. Expenses that are caused by UBI might be covered by savings from means-tests, activation programs and administration.

UBI would not affect other schemes explicitly in regard to administration efficiency, but it would help the general administrative efficiency in each country, since it is cheaper and easier to administrate than current minimum resource benefits in each country, which would be replaced by UBI.

With these findings, the study concludes that "UBI would improve the effectiveness and efficiency of the social security systems in the UK, Germany
and Sweden. It would help them achieve their aims and fulfil their functions better." It stresses that these achievements differ between aims and functions. Income replacement and compensation would be less affected and behaviour change would be contradicted. It also highlights that UBI particularly addresses the welfare characteristics of high decommodification and universal solidarity in Sweden and thus has higher impact on its social security schemes' effectiveness. The UK's welfare characteristic of low decommodification is challenged in regard to basic needs but it would benefit from the liberating benefits. Effects of UBI, therefore, are less effective than in Sweden. In regard to efficiency, Sweden would profit less than Germany and particularly the UK; due to that its current conditions enable higher social security despite its above demonstrated limitations.
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