

Changing life opportunities under illiberal rule: drivers of social structural change in Hungary

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Tarki, Budapest

The political economy of minimum income schemes Evidence from 7 European countries

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- Why relevant?
- Main research goals
- **MIS in 7 European countries: a comparative overview**
- **MIS policy trajectories: main findings**
- **How to explain policy trajectories? The politics of MIS**




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Why relevant?

Poverty & social exclusion (AROPE)

- 2000-20 Recurrent economic crises and increased poverty in Europe
+7% AROPE (+8 million) in 2009-14..then recovery...then Covid-19..
AROPE 2008: 23.7%  **2021: 21.6%**

EU goals & strategies

- 2008 Recommendation on Active Inclusion
- 2010 **Europe2020 target:** lifting 20 million people out of poverty by 2020
- **EPSR Pr.14** *Everyone lacking sufficient resources has the **right to adequate MIS** ensuring a life in dignity at all stages of life, & effective access to **enabling goods and services**. For those who can work, MIS should be combined with incentives to (re)integrate into the **labour market***
- **2022 Recommendation on Adequate minimum income**
- **2030 target Reduce the number of AROPE individuals by at least 15 million**



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Main research goals

Policy

- Has MIS generosity *increased*?
- Have MIS been made more *conditional* in line with a *workfare* approach (“negative” versus “positive” activation)?

Politics

- Political salience
- Main actors supporting/opposing MIS
- Issue contentiousness

Case selection

- Estonia, Germany, Hungary, Italy, Spain, Norway, UK



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MIS in 7 European countries: a comparative overview

Country	Coverage % of the population
Germany	7.4%
Italy	5.1%
UK	2.0%
Norway	2.4%
Spain	1.7%
Estonia	2.0%
Hungary	-



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MIS in 7 European countries: a comparative overview

Country	Benefit amount, single beneficiary % of at-risk-of-poverty threshold
Italy	55% (87% with housing support)
Spain	59% (+ variable regional Mis)
Norway	45% (+ childcare support)
Germany	38% (+ variable housing support)
UK	37%
Estonia	25%
Hungary	23%



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MIS policy trajectory
Main comparative findings

- Huge **variation** in MIS policy trajectories
- **Expansion vs stability vs retrenchment**
- ***Diminished relevance*** in 3 countries out of 7
- General trend towards negative activation & ***increased conditionality***,
...but also swings back & signs of positive activation



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MIS policy trajectories

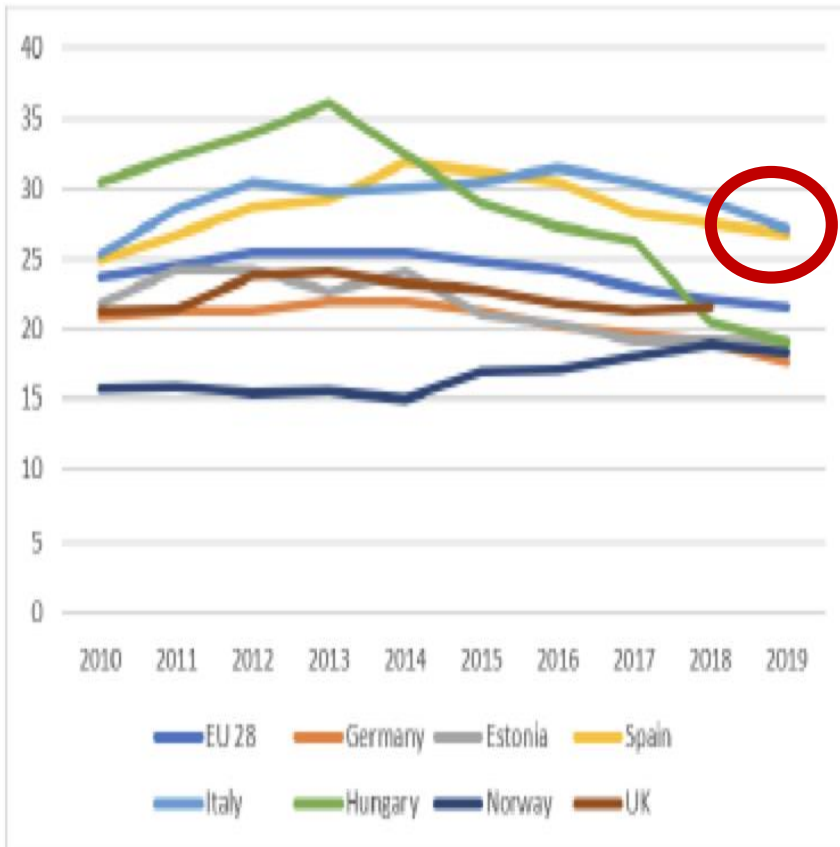
Italy	Spain	Germany	Estonia	Hungary	Norway	UK
System restructuring 2017-23	System restructuring 2020	System restructuring 2005	-	System restructuring 2006-9	-	System restructuring
Expansion, then Retrenchment	Expansion	Retrenchment then Stability	Limited retrenchment	Retrenchment	Limited expansion	Partial retrenchment
Increased relevance	Increased relevance	Stability	Residualization	Residualization	Stability	Diminished relevance



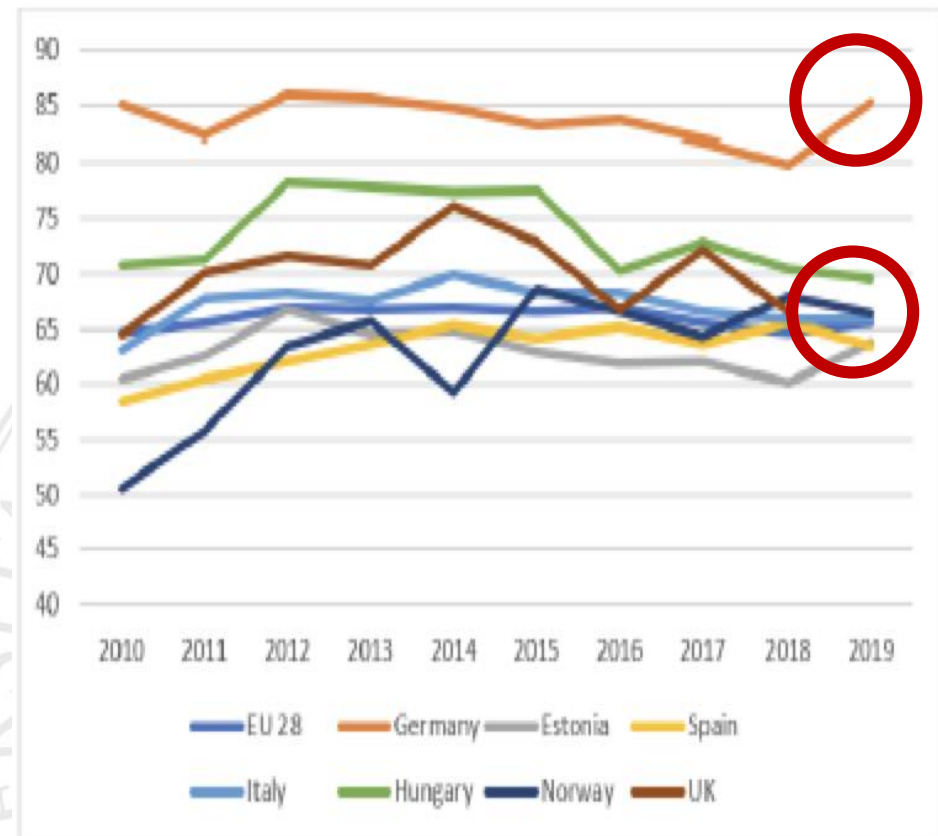
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At risk of poverty or social exclusion rate, 18-64 years (%)



At risk of poverty or social exclusion rate, unemployed 18-64 (%)



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How to explain? The politics of MIS

Redistributive policies (Lowi 1972; Wilson 1980):
VS limited expenditure, low pressure:

potentially highly contentious
 «weak politics», limited political salience

Type of Demand	Type of Party System	
	<i>Moderate Pluralism</i>	<i>Fragmented Pluralism</i>
<i>Latent</i>	Neglect (Inertia)	Neglect (Inertia)
<i>Weak & Divided</i>	<i>Non-contentious credit claiming</i>	<i>Contentious credit claiming</i>
<i>Strong & unitary</i>	<i>Non-contentious competitive credit claiming</i>	<i>Contentious competitive credit claiming</i>

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The politics of MIS

Political salience

Contentiousness

Pro/Against



Very High

Very High

Labour vs Capital
Left vs Right



Medium/High

Low

Broad support
No opponents



Medium

Medium

Broad support
Divided left



Medium/Low

Low to Medium

Broad consensus
but activation...



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The politics of MIS

Political salience

Contentiousness

Pro/Against



Medium/Low

Medium/Low

Broad consensus
divided left;
territorial politics



Low

Low

Weak support
Territorial politics



(Medium to) Low

Low









Weak support



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The politics of MIS

Type of Demand	Type of Party System	
	<i>Moderate Pluralism</i>	<i>Fragmented Pluralism</i>
<i>Latent</i>	<p data-bbox="672 686 962 729">Neglect (Inertia)</p> <div data-bbox="490 725 625 805">  </div> <div data-bbox="989 725 1124 805">  </div>	<p data-bbox="1367 686 1657 729">Neglect (Inertia)</p>
<i>Weak or Divided</i>	<p data-bbox="672 882 962 982"><i>Non-contentious credit claiming</i></p> <div data-bbox="510 996 683 1085">  </div> <div data-bbox="772 999 942 1090">  </div> <div data-bbox="1058 999 1240 1090">  </div>	<p data-bbox="1379 882 1649 982"><i>Contentious credit claiming</i></p> <div data-bbox="1425 999 1599 1090">  </div>
<i>Strong & unitary</i>	<p data-bbox="672 1162 962 1319"><i>Non-contentious competitive credit claiming</i></p>	<p data-bbox="1302 1162 1734 1262"><i>Contentious competitive credit claiming</i></p> <div data-bbox="1066 1296 1240 1388">  </div> <div data-bbox="1425 1296 1599 1388">  </div>

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Preliminary conclusions

- **Very different poverty trends**
- **Major variation in MIS policy trajectories**
 - * generosity
 - * activation
- **The key role of political factors**
 - * political salience
 - * issue contentiousness
 - * lines of conflicts



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Thanks for listening!

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