

Activation Policies and Minimum Income Schemes

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Abstract

Activation policies were designed in the 70s to facilitate a return to the labour market for those who had been sidelined by the economic transformations. In the 90s activation programs are being proposed by governments and international institutions as the EU as an efficient strategy to combat social exclusion. However, there have been a number of questions raised as to the real purpose and effect of those programs. Are they efficient tackling social exclusion? Or are they designed to prevent dependency and contribute to cut social budget? International comparative analysis of activation policies shows not only that activation policies have little effect in the employability of the people most excluded from the labour force but also that the last reforms leading to strengthen emphasis on individual responsibilities are having negative effects on those unable to accomplish activation commitments. Only in those countries where there is a minimum income guaranteed that acts as a safety net those risks are being minimized. By contrast, the most negative effects for the weakest are taking place in those countries with limited income protection and where there is a wider extension of precarious employment. Empirical evidence from a case study in Navarre (Spain) contributes to highlight some of the key factors for this lack of effectiveness of activation with the most excluded groups.

Key words

Activation, Minimum Income Schemes, Social Exclusion, Social Inclusion.

Initially, activation policies were not designed to tackle social exclusion. On the contrary, the activation policies designed in northern European countries in the seventies targeted the people already in the labour market, or temporarily unemployed, easily adapting them to the new needs derived from a changing market. Later, the extension of activation policies in Europe in the eighties aimed at sectors of the population that had been particularly affected by the employment crisis. With regards to the long-term unemployed, it was considered that activation was the best way to reduce the distance between their qualifications and the labour market's requirements. For the young unemployed, activation consisted of a preventive strategy aimed at preventing them to be subject to unemployment benefits at such an early age. Finally, in the recent development of activation policies we can observe growing links between these policies and benefits aimed at minimum income earners.

Comparing benefit programmes in several countries (France, Holland, Norway, United Kingdom, Denmark, Germany and the United States) Lædemel and Trickey (2000) concluded that they were all experiencing a change consisting of the introduction of conditions to which benefits are subject:

“The requirement that those considered capable of working must seek and accept work on the standard labour market is an inherent part of the new social benefit programme contract” (Lædemel & Trickey, 2000).

The introduction of activation criteria in those benefit schemes is a common but not convergent trend in Europe. Governments and international institutions as EU propose activation programmes as an efficient strategy to combat social exclusion. However it have been raised questions related to their real effectiveness in overcoming social exclusion.

In spite of the lack of evaluation research about the impact of activation in excluded families there are some evidences which favours certain mistrust of the real efficiency of activation with the most excluded.

What we really have to discover is whether going from passive to active policies actually improves how people under minimum income schemes (able to

work) are treated or whether we are referring to replacing social protection mechanisms by activation programmes with dissuasive goals. In other words, does activation improve the situation of excluded people by providing them with job opportunities? Or are they measures replacing pre-existing welfare mechanisms, reducing the protection provided to the most vulnerable sectors of the populations and diminishing their social rights?

Reviewing assessment of activation programmes in several countries: United Kingdom (Lædemel and Trickey, 2000), (Wright, Kopac et al., 2003), (Barbier 2001), (Trickey and Walker 2000); France (Barbier 2002), (Enjolras, J.L. et al., 2000), (Belorgey, 2000); the USA (Sammartino, 2002), (Park and Voorhhis, 2001), (Wiseman, 2000), (Handler, 2002) and Denmark (Torfing, 1999), (Rosdhal and Weise, 2000), (Bredgaard, 2001), (Barbier and Théret, 2001) we have found empirical evidence of the low effectiveness of activation with people living in social exclusion.

Most assessments show that activation programmes favour labour integration of those under minimum income schemes who have higher skills and have little effect on those who are unskilled. In fact, activation policies assessment in those countries have defined a determined volume of participants as “*non engageable*”, “*non activable*” or “*difficult to activate*”. These groups stay longer periods under the minimum income scheme protection or participating in activation programmes or depending on the rigidity of the sanctioning system they have to leave them.

Assessments point out to several factors that explain this lack of effectiveness: the characteristics of the participants, the nature of the programmes, and the existence of discriminatory strategies.

1. Firstly assessments show that there are some characteristics in a determinate group of participants who stay longer under minimum income protection that difficult them to enter the labour market: “presence of physical or mental illness (not recognized)”, “low time availability to enter the labour market because the presence of dependent children or elder”, “long-term social problems (drug abuse, familiar conflicts)”, “very low skills” “living in deprived areas”.

The presence of social, familial, physical or psychic problems can disable (temporally or permanently) these individual (considered officially as “able to work”) to enter the labour market. Although these characteristics are mentioned in assessments there is not official recognition of the existence of this “socially disabled” profile.

2. The second reason for this lack of effectiveness is the nature of the activation strategies themselves, since they were not designed for the sectors most excluded from the labour market and therefore involve significant limitations in their capacity to adapt to these groups of people. In this respect, initiatives arise in some European countries aimed at adapting activation strategies to this sector of the population. For instance, France has traditionally favoured the creation of a network of labour activation resources, outside the market (non-profit sector), exclusively adapted to the problem of exclusion. In recent years, activation and community participation projects have also arisen in Denmark aimed at the people less likely to find employment. Some of them are even substituting, labour integration aims with others related with the improvement of life conditions, acquisition of social skills, personal development, and social participation. Those socially oriented programmes are less likely to be found in the United States where activation is fully oriented to labour integration objectives. Especially in this country the emphasis given to access to the labour market makes activation more ineffective with those most excluded. Related with it, there is empirical evidence that shows that those living in hardest conditions do not respond to the incentive-sanction programmes (Rosdhal y Weise, 2000).

The complexity of social exclusion make insufficient and ineffective those activation programmes which only consider labour integration without tackling other problems such as physical and mental health, familiar conflicts, social skills, housing, etc.

Most assessments reviewed suggest that activation programmes wont have any impact in social exclusion if they are not complemented by broader political strategies including health, housing, income maintenance or personal social support (Cantillon, Marx et al., 2002), (de Graaf, Frericks et al., 2003), (Castel, 1997), (Lædemel y Trickey, 2000).

3. There is a third group of factors explaining activation lack of success with those most excluded which refers to the existence of both positive and negative discriminatory strategies used by the professionals when selecting participants in the programmes.

Two kinds of strategies are identified. Negative discrimination strategies favour access to activation resources for those with higher employability levels in order to guarantee the greater success and efficacy of the programmes themselves. Positive discrimination strategies give priority to groups with lower employability levels so that they can benefit from the positive impact of these activities on their living conditions (higher economic protection, access to other social protection systems, enhanced personal situation and others) (Barbier y Théret, 2001). In both cases, the existence of strategies not recognized officially, is interfering in the assessment of the effectiveness of activation with those most excluded.

At this point the obstacle is the lack of the comparative information available in relation to these three factors and therefore it is difficult to fully assess activation strategies and their effectiveness in relation to those most excluded.

In addition, some assessments mention that even if activation programmes are not effective making people entering the labour market, it can be very useful in improving participants' life conditions: in terms of income protection, social participation, professional support, self-esteem. However there are not indicators enabling us to assess the "social effectiveness" of activation programmes in relation to the improvement of the living conditions of participants.

The limited effectiveness of activation getting back to market those most excluded and the lack of public recognition of its social effects have helped to form a widespread image of inefficiency in relation to activation programmes aimed at groups with lower levels of employability and to disguise the importance of the social impact of activation.

The most important conclusion is the lack of efficacy of activation fighting social exclusion. In fact, from the nineties on, with unemployment rates falling in

most countries, the major challenge for activation policies consisted in activating those who still remains under welfare schemes, even with jobs available.

“The very challenge for activation, takes place at the last 90s when, in a general context unemployment dropping down there is only left the hard core (those most excluded of the labour market)” (Torfing, 1999).

As regards of this lack of effectiveness some researchers have revealed the existence of certain risks which have questioned the convenience of using activation with those most excluded.

Despite important differences, in the countries analyzed there are new links conditioning the minimum income protection to the accomplishment of the activation requirements, which means that the risk of becoming unprotected raises for those most excluded.

Another effect is what some have defined as “insertion status”, “carrousel effect” or “double trap” of activation and precariousness. All make reference to the situation of those individuals living in social exclusion who are under social benefits, then participate in activation programmes, then get a low-quality job and after a while have to come back into social benefit schemes again and so never reach a higher level of social integration.

But those risks have not the same incidence everywhere; by the contrary they vary considerably depending first, on the nature of the activation programmes, on the strictness of the sanctioning system and the effectiveness of the programmes; but secondly on the characteristics of the labour market and the welfare state system existent in each country.

The influence of the characteristics of the labour market

Job availability and its quality is crucial factor analysing activation effectiveness. In those contexts in where job is scarce activation effectiveness decreases. That’s what is derived from assessments that analyze activation strategies in European countries where the lack of employment provokes that those with lower skills in activation programmes remain permanently outside the labour market.

In the U.S. a wide range of non-skilled jobs available in the labour market helps fast labour integration of those under workfare schemes but the low quality of jobs does not allow them a stable social integration not even overcome exclusion or poverty. Therefore an important number of assistance leavers return to benefits or remain unprotected (Loprest, 1999).

In Nordic countries governments and social agents have done a big effort in order to combine labour market flexible strategies with public sector job creation and high level of income protection. In those countries the possibility of maintaining a decent standard of living outside the labour market for a time enables individuals in to select a suitable job and acquire the necessary qualifications. This situation also arises in continental countries (Germany, France, and Belgium) but only for individuals with contributory rights. However, it is the people without such rights (women, young people) who have to accept precarious jobs. Neither of the two types of country (Nordic and continental) has contemplated the need for dissuasive mechanisms because the high quality of employment makes it preferable to the welfare option.

Besides, the availability of employment, regardless of its quality, affects the type of activation strategy employed. In the U.S., the lack of public protection for the unemployed means that individuals leaving the market are forced to accept precarious jobs. It is precisely because of the availability of unqualified employment that this country has decided to use activation strategies encouraging immediate integration in the labour market. But, in view of the low income associated to the employment available, it has also had to introduce mechanisms encouraging access to employment and making the benefits less desirable. The latest benefit reforms have therefore aimed at negative tax strategies encouraging the acceptance of low-income jobs, work tests and shorting time under the benefit system.

It is evident in the U.S. that the large number of precarious jobs available has led to the government preferring formulas encouraging immediate integration in the labour market.

In most European countries, the greater qualifications required by productive sectors and their broad welfare systems have prevented the spread of precarious employment. This is partly why no special emphasis has been

placed on dissuasive mechanisms, preferring activation strategies enhancing long-term employability and more effective in relation to integration in the labour market.

However, in recent years, some evidence has been found that could change the activation model in European countries in the future. The widespread fall in unemployment in Europe together with an increase in precarious employment (25% of all jobs approx.), could explain the progressive use of formulas aimed at favour quick labour integration. There is also a growing use in Europe of formulas similar to negative taxation, designed to make low paying jobs more attractive, similar to those associated to activation in the U.S.

The influence of the welfare regime

The correlation between unemployment and exclusion and poverty is not as significant as the correlation between social spending and social exclusion (Cantillon, Marx et al. 2002). The creation of employment, therefore, does not necessarily prevent poverty, as shown in the U.S., where low unemployment rates exist alongside high poverty rates. There is, however, a direct relationship between greater social expenditure and the prevention of poverty. In Europe, countries with greater levels of social spending have managed to reduce the risk of poverty and exclusion to a minimum.

High levels of unemployment protection and the existence of minimum income systems not only reduces the risk of poverty and exclusion to a minimum, but also helps to prevent precarious employment from spreading, guaranteeing decent living conditions for individuals outside the labour market.

When unemployment grew in the eighties, social-democratic governments reacted by creating high quality public employment, largely in the social service sector. The social pact between government and unions favoured enhanced flexibility for businesses without reducing the quality of employment or the protection provided for workers. This combined a high level of economic competitiveness with extended social protection. The widespread social support for the Welfare State based on the alliance between the middle and working classes in these countries, has led to high social spending guaranteeing

effective protection outside the labour market, with the distribution of social expenditure improving the situation of lower income families (Behrendt, 2000).

In addition social-democratic countries have made important investments in the development of active employment policies encouraging the return of excluded individuals to the labour market. Evidence shows that social-democratic countries (Sweden, Denmark, Finland), with the highest levels of social spending, have managed to maintain the lowest poverty rates in Europe

Secondly, countries like France, Germany, Belgium and the United Kingdom, high levels of social expenditure has managed to mitigate the effects of the latest changes, although they have been less effective in reducing poverty. Unlike social-democratic countries, they have not favoured so well a redistribution of spending aiming at social equality. On the contrary, a part of social spending has gone on higher income families in the form of pension, educational and other policies. Protection for the unemployed excluded from the contributory system is clearly limited. In the United Kingdom and Germany, this weak protection, combined with a high level of individual autonomy, increases the risk of poverty among the unemployed. In France and Belgium, the family plays an important protective role mitigating most of this risk, since it particularly affects women and young people in detriment of their autonomy (Gallie & Paugam, 2000).

In those countries, investments in activation policies have been more limited, and creation of employment in the public sector practically nonexistent. These countries have put into practice other strategies aimed at increasing the duration of compulsory education or encouraging early retirement. Investment in activation policies has been even more limited in southern countries.

In third place liberal countries responded to the unemployment crisis by promoting the creation of employment in the private sector. In the U.S., activation does not respond to a strategy of investment in employment programmes but rather to reorienting welfare spending to programmes aimed at enhancing access to employment for benefit receivers, thus reducing social expenditure. In the United Kingdom, however, there has been considerable investment in activation policies, but less than the European average and only available to individuals receiving social benefits.

Table 1 Comparative summary of poverty rates and unemployment, minimum income and activation strategies in the countries analysed.

	Unemployment protection system (Gallie and Paugam, 2000)	Efficacy of the minimum income systems (Behrendt, 2000)	Activation policies	Poverty Risk (Eurostat, 2001)
Denmark	Universal (high coverage – high amounts)	Medium coverage. High income level	Extensive	Low (11%)
France	Focused on employment (high coverage, unequal amounts)	Medium coverage High income level	Medium	Medium (15%)
United Kingdom	Liberal (medium coverage, low amounts)	High coverage. High income level	Medium	Medium-High (17%)
United States	Underdeveloped	Nonexistent. There is only social aid for specific sectors	Highly limited. Workfare model	Very high

We can therefore conclude that the three key factors guaranteeing efficacy against the risk of exclusion are broad-based unemployment systems guaranteeing high quality living conditions outside the market for most of the unemployed; maintenance of a guaranteed income system and the development of extensive activation policies encouraging the unemployed to seek work.

In spite of the considerable differences in European countries, according to the degree of protection provided by their labour market and their welfare systems and their investments in activation policies, they share the objective of increasing opportunities and tackling the problem of social exclusion. By the contrary in the US the risk of no protection has increased since they started substituting benefits by economically temporary aids subordinated to labour integration.

Case study: Minimum Income Scheme in a Spanish Region

It was derived from the comparative analysis that an important obstacle to evaluating the real impact of activation is the lack of assessment works which deepens its effectiveness fighting social exclusion.

In fact, most existing activation programme assessments fail to include an analysis of the three factors mentioned before: the characteristics and possibilities of the participants when they enter the programmes, the adequacy of the programs to participants profile and the existence of discrimination strategies. They do not include either an approach the relation among activation programs and the characteristics of the labour market and the social protection systems.

We therefore propose an assessment method enabling us to evaluate the labour and social efficacy of the programme, contemplating a variety of factors and taking into account the characteristics of the labour market and the welfare regime in which the activation strategy is designed.

With this aim we have applied this assessment method to analyse the effectiveness of an activation programme (subsidized employment) with minimum income scheme recipients in Navarre (region of Spain).

Welfare Regime and Labour Market in Spain

In southern European countries, in spite of the lowest public social expenditure levels, family protection has restricted the spread of social exclusion, maintaining poverty rates similar to other countries with greater social spending. Despite this, Southern European countries (Spain) have the largest proportions of the population on the poverty level (over 19% in 2001; Eurostat, 2004).

The heavy family dependence favouring the redistribution both of income and the provision of care cushioned the threat represented by an increase in unemployment in the eighties. Both the existence of this familial protection and the inhibition of the public authorities in welfare development, have become key

factors why neither poverty nor the question of dependence have become social problems of the highest order.

In these countries, a sub protective income security system (Gallie and Paugam, 2000) which only affects part of the unemployed (those who have contributed enough before), and the constraints on the existing minimum income programmes, would not have been capable of mitigating the results of the high unemployment levels registered in the eighties. They were compensated by intergenerational employment distribution strategies and income redistribution mechanisms within families. As a result of these family strategies, these countries continue to have a social model based on heavy dependence on family members. Unemployment and precarious jobs are therefore supported by women and young people who depend on the main breadwinner, who still is heavily protected. Female employment rates are far beneath the European average, because women provide protection within the household whereas State intervention is merely residual.

In Spain, there is a large difference between insiders and outsiders in the labour market (Polavieja, 2001). For insiders there is high quality of employment, protecting them from economic change, and they also have a high level of unemployment protection. However, the reduced protection available for non-contributory unemployment and the spread of precarious employment in recent years has led to a situation of growing vulnerability for outsiders. They consist of women and young people who end up depending on the redistribution capacity of households. However, among outsiders, there are a growing number of households (immigrants, single parent, young couples) in which the main breadwinner is always in precarious employment.

In Spain, the limited funding available for activation policies (0.77% of the GDP in 2004) has been practically entirely aimed at developing training for large groups of the unemployed. The fact that most of this training has been non-specific meant it had a limited impact on the integration of the unemployed in the labour market. Furthermore, these non-specific activities did not reach the lower qualified members of the population.

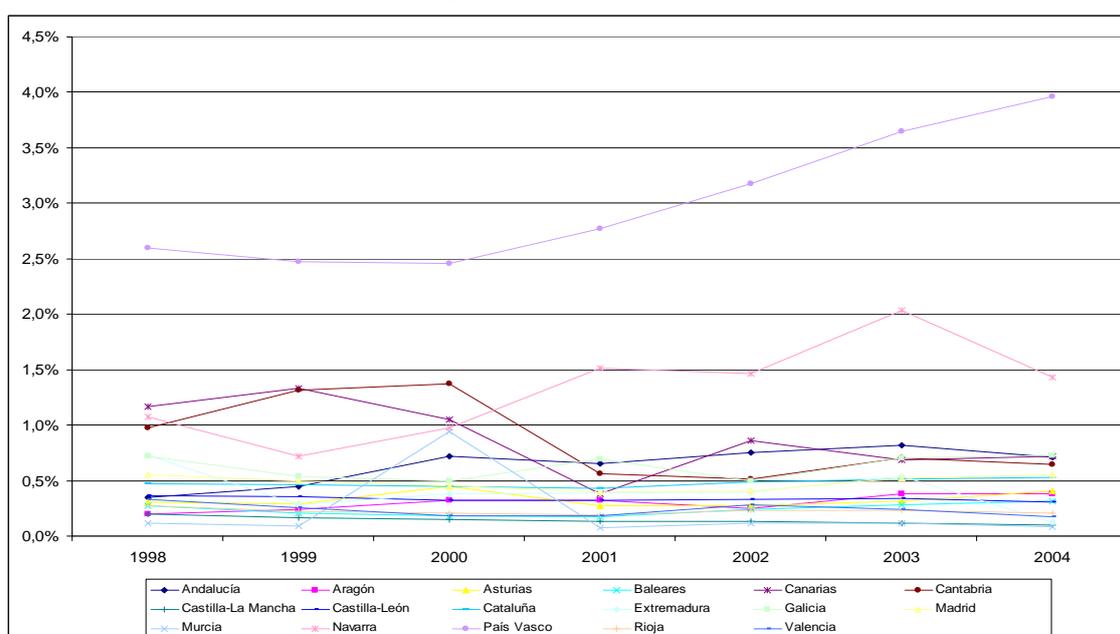
Table 2. Public Expenditure (as % GDP) destined to Labour Market policies, 2004

	Denmark	France	U.K.	Spain
Activation Programmes	1.74	1.09	0.53	0.77
Public Employment Programmes	0.21	0.25	0.34	0.08
Training	0.52	0.31	0.14	0.17
Subsidies to encourage private contracts	0.49	0.08		0.33
Activation Programmes for the Disabled	0.52	0.09	0.03	0.03
Job creation		0.35	0.01	0.10
Subsidies for enterprising				0.07
Passive Programmes (economic protection)	2.68	1.77	0.37	1.50
Total	4.42	2.85	0.89	2.27

Source: OECD (2005).

In this country in the eighties, as occurred in other European countries, the contributory level of the Social Security System was complemented with means-tested benefits designed for those groups that were uncovered by the social security system. So there were created benefits for disabled, old people or widows, and for the unemployed who had finished the contributory benefit. But there remained some situations uncovered from the central government: those between 16 and 65 who have not any disability recognized (young unemployed, lone-mother, immigrants, and other excluded individuals). This gap was covered by minimum income schemes created at the regional level.

Chart. 1 Evolution of household covered by Regional Minimum Income Schemes in Spain (1998-2004)



Source: Dirección General de Servicios Sociales y Dependencia, MTAS SPAIN, and Encuesta Continua de Presupuestos Familiares 2004.

So nowadays in Spain, there is a polarised scenario in which protection for specific needs such as old age or disability is the responsibility of the State, and responsibility for families under poverty line is responsibility of the regional authorities. As a result there is a sub protective, fragmented and heterogeneous system of regional minimum income programmes (Ayala and alt, 2001).

Minimum Income Programme in Navarre, Spain

An analysis¹ of the characteristics of the people on minimum income scheme in one Spanish region, Navarre, shows the low level of dependency. Only 20% of participants stayed more than three years under the coverage of programme. 32% of them stayed less than one year and 48% of them had an intermittent use (got in and out of the programme).

The analysis revealed that leaving a minimum income programme does not only depend on an individual's rational decision, but on other several other factors.

Table 3 Odd ratio and significance level of Logistic Regression Model. Dependent variable: "Long Stay under the Minimum income scheme"

	e ^b	Sig.
Lone mothers	1,78	***
Social excluded elder adults	1,53	***
Socially excluded families	1,66	***
Ethnic Minority: Gypsies	2,11	***
Immigrants	1,10	ns
Disabled	1,21	*
Drugs abuse	1,54	**
Breadwinner Unskilled	1,82	**
Bread winner has more than 45	1,23	*
Pamplo na	1,27	**
Participates in ACTIVATION programme	5,35	***

* P<0,05; ** P<0,01; *** P<0,001
N: 1282 Log Likelihood: -3290,156 Cox & Snell R Square: 0,145 Nagelkerke R Square: 0,204

¹ For this analysis we used a database with information about 7.000 households under poverty line who have received the regional minimum income scheme in any moment in the period 1990-2000. 40% of them participated in an activation programme (1 year contract in a subsidised job for the City Council, includes training).

This regression analysis has shown that lone-parent families find it more difficult to cease to depend on the welfare system. The same occurs with other categories as bi-parent families with minors, elderly families (between 50 and 65) and people with physical or mental problems. We also find that the location of the household also has an impact on the possibilities of autonomy, from which we can conclude that the availability of employment or insertion resources in each area affects ability to cease to depend on the welfare system. Therefore, the inability to work because of family burdens, the presence of health-related problems not classified as disabling, discrimination against elderly people or the lack of job opportunities are all problems unrelated to an individual's decision.

The presence of these problems in the families that spend more time inside the welfare system confirms the thesis that social exclusion is the result of a series of social problems hindering social participation. And we therefore are forced to acknowledge that not all poor people officially recognised as “able to work” are to do so in practice.

The last amazing result coming out from the regression analysis is that those individual who have participated in the activation programme have a higher probability of staying longer under the benefit scheme. That result can only be explained by the existence of positive discrimination strategies.

The existence of positive discrimination strategies

The minimum income programme in Navarre (Spanish region) was originally (in the nineties) workfare-oriented. Considering the strong conservative opposition to the establishment of the minimum income programme, it involved the need to work. This meant that refusing to work implied expulsion from the programme. However, the model has moved towards a more generous welfare model for two basic reasons. In the first place, the fall in the threat of unemployment led to abandoning the idea of public employment and reinforcing the option of providing economic aid; this system was also cheaper and easier to manage. Secondly, the presence in the programme of

families with important difficulties to access the standard market led professionals to use the employment resource for other purposes. Public employment has been used to guarantee continuing protection for excluded families with children; to hire individuals with low employability levels because of age or health reasons that were waiting to access other social protection systems or to rehabilitate socially excluded sectors.

Table 4 Positive discrimination strategies used by social workers

Type	Strategy using Activation
Socially Excluded Families	Enlarge economic protection enabling continuity
Lone Adults above 50 years old, mentally or physically disabled	A Bridge ("standby") towards other benefit
Households in which the both adults are unemployed	Enable them get back to the labour market
Homeless or Drug abusers	Employment as therapy

In recent years, the classification of minimum income as a right (in some regions of Spain²) is consolidating this model in its welfare orientation. However, the limited coverage of the benefits and constraints on activation activities has restricted its adaptation to this model.

The importance of the labour market

In this region as in the whole country, we should also add that the high level of precarious employment (temporary, low wages) is combined with a large number of unqualified jobs available in our productive systems. Jobs in agriculture, personal services, and building make it especially easy for unqualified individuals receiving welfare benefits to find employment.

² Navarra, Madrid, País Vasco.

this model has two important consequences for our analysis. On the one hand, it enables us to explain the low level of dependence on benefits in Spain (in Navarre, less than 20% of minimum income perceivers remain continuously on minimum income). However, the low quality of these jobs does not enable households to overcome poverty and generates unstable insertion processes. Therefore, in this context, although it is easy to leave the welfare system, it is normal to return (in Navarre, over 55% of users make intermittent use of the minimum income programme).

The study of this case reveals a close relationship between the characteristics of the labour market and the welfare system. This relationship is decisive in southern European, in which both the profile of their productive systems (with large unqualified sectors) and the constraints of their social protection systems have led to widespread precariousness. Likewise, the availability of unqualified jobs has led dominant classes to subordinate the design of the welfare system to ensure it is not a more desirable option than the lowest paying jobs.

Labour and social effectiveness

The analysis of the relation between the minimum income programme and activation strategies in Navarre (Spain) enable us to confirm the presence of barriers to the integration of participants in the labour market and positive discrimination strategies developed to give priority to households with less likelihood of accessing employment (these strategies are used to improve and ensure the continuity of economic protection); to favour access to other protection systems; and to improve the personal situation of participants.

Both these factors, the profile of the participants and the professional strategies, provide an explanation of the limited labour efficacy of the programme, since it has been used in households less likely to leave the programme for a standard job. So, practically since the very beginning, the labour efficacy of the programme is subordinated to other social ends served by the employment programme, such as the greater economic protection provided by the contract than benefits, the possibility of alternating between the

programme's two modalities, the protection rights associated to the contract and the rehabilitating potential of employment.

With regards to economic protection, we confirm that the programme is effective in tackling situations of personal and family deterioration and facilitating insertion processes (loss of dependence, access to housing, separation processes, etc.).

In relation to access to protection, the guaranteed possibility of a contract for a certain period of time is of particular value in a contributory system like ours in which employment is the only means of access to social protection.

The activation programme linked to the minimum income benefit in Navarre was highly valued by professionals and participants because of its rehabilitating function, even more so in a social context in which there is a deep-rooted concept of work dignifying the individual. Practically all families under the minimum income protection declare a preference for a public employment opportunity over economic aid. From a professional perspective, the capacity of employment as a personal development resource was also highly valued (particularly appropriate in some cases in which there are a loss of self-esteem or in cases of extreme social isolation). Likewise, professionals praise the "activating" potential of the programme, understood as opposite to the passiveness characteristic of some people who have been unemployed for a long term and are unlikely to change that situation.

We have also found, however, that the programme has lost part of this social efficacy over the years, since the economic protection provided by employment, although it is still greater than economic aid, has remained at its original salary levels, to prevent it from competing with other jobs available on the market. Since the protection provided by economic aid has increased its coverage, some households find the aid option provides more economic protection than employment.

Likewise, a descent in the quality of unemployment benefits, in Spain, has led the access to benefit function of the programme to reduce its efficacy, especially in the case of young participants.

As for the qualifying nature of the tasks, from the origin of the programme to date, most of them continue to contemplate occupational tasks of limited integrating potential. In recent years, however, new initiatives have arisen aimed at improving the level of the qualifications provided by the programme and linking them to specific jobs on the employment market. They continue, however, to constitute a minority.

On the other hand, social employment also involves important deficits in the development of individual social support functions for participants and later monitoring the continuity of the insertion processes by means of other devices. This evidently reduces the social efficacy of the programme; since practical experience has shown that reinforcing social support increases the programme's integrating potential.

In addition to all this, in Navarre we can confirm most of the risks involved in the application of activation to excluded sectors. There are different factors that have helped to generate a sense of stigma for participants. They include the precarious employment conditions associated to the projects, the unqualified nature of the jobs, the concentration of different problems in the same programme, or the programme's limited social legitimating. On the other hand, intermittent use of the programme confirms the existence of the *double trap* of insertion and precarious employment in which most of the programme's users are continuously found. In the case of Navarre, therefore, we could refer to the existence of a new employment status for workers combining precarious jobs on the standard market with likewise precarious jobs in the protected environment of insertion resources. They also find it very difficult to overcome this situation.

Conclusions from the case study

In view of the real disability for work of an important part of the recipients, the programme's inefficacy in labour insertion, the deficit in social insertion and the generation of negative consequences such as an insertion worker status, it makes sense to question whether it is worthwhile using activation programmes aimed at excluded sectors.

We can only respond to this question with reference to Navarre and our answer would have to be negative: given the current characteristics of the programme and the characteristics of the labour market in Spain, it does not make much sense to maintain an activation programme for the most excluded sectors. There are other reasons to do so.

The availability of a large number of unqualified jobs in Spain makes it particularly easy for households with people capable of working to leave the programme. This has two important consequences. Firstly, it confirms that the people who never leave the programme are prevented from doing so by their family situation or exclusion. For them, the option of employment is no more suitable than others equally or more effective from a social efficacy perspective, such as:

- a) Mechanisms aimed at providing continually guaranteed income.
- b) Devices aimed at favouring availability for work in households with unshared family burdens (care for the elderly and minors).
- a) Integral social intervention mechanisms to overcome exclusion situations by coordinating activities in different fields, such as healthcare, housing or social assistance.
- b) Occupational employment devices using employment to “activate” personal processes in people with mental or physical health problems or the elderly.

Secondly, the fact that the characteristics of activation public employment programmes in Spain are similar to the jobs available on the market (in terms of low wages and qualifying capacity), means that they are particularly ineffective resources in the Spanish context, since it provides no added value to the precarious jobs already available. This resource, of particular value for insertion since it involves the public sector, could be better valued if it was oriented only to people with possibilities of returning to employment, increasing their employability level. The qualifying nature of the resource would therefore facilitate access to other types of job, truly overcoming the problem of precarious employment and integration.

All this leads us to two final conclusions: firstly, that the many kinds of social exclusion can temporarily or permanently disable people for integration in the labour market, as do other vital events such as old age or certain recognised mental or physical disabilities. In this respect, any of the solutions proposed by the new left referring to the need to contemplate other forms of social participation unrelated to employment, or the introduction of universal income based on citizenship, would solve the issue of these poor sectors classified as capable of working but incapable of obtaining employment. However, since none of these proposals have yet been put into practice by governments, we believe that the guaranteed universal income schemes are a model to be imitated by countries with contributory systems, and even more so given the limited protective capacity of southern countries.

Secondly, we believe that activation can be highly effective from a social and employment perspective if it is used with sectors capable of accessing the labour market and if it is designed as truly qualifying resource. In this respect, again there are experiences in European countries that provides a strategy providing excluded sectors with access to universally oriented activation resources, providing a high level of employment qualifications. These strategies, which combine training with guaranteed long-term income, are not only the most effective mechanism for favouring the autonomy of people receiving welfare, but are also an effective strategy to tackle precarious employment. The possibility of receiving welfare benefits and participation in long-term resources aimed at enhancing employability permits participants to choose better qualified and therefore better quality, jobs.

Finally, we are forced to acknowledge that neither guaranteed income policies nor activation strategies, although they are necessary, are sufficient to combat poverty, exclusion and social precariousness. This requires a synergy of interventions involving different scopes of action above and beyond social services, related to protecting the labour market, housing, healthcare and educational policies.

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