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# **Deliberative Democracy and the Legitimacy of Basic Income**

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**FIRST DRAFT**

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# Deliberative Democracy and the Legitimacy of Basic Income

## Pre-introductory remarks

In order to gain legitimacy, a basic income scheme – like any other welfare-political measure – must be in accordance with basic political ideals and beliefs of the polity. Very often this has led to a focus on the principle of *reciprocity* and to discussions concentrating on whether or not a basic income would violate this principle (cf. Kildal, ....; Gutmann...; Rothstein). While not at all denying the importance of this problematic, this paper intends to relate the idea of a basic income to another deeply fundamental and also widely recognized idea, namely that of democracy.

Now, of course, ‘democracy’ is an extremely contested notion, and there are a lot of suggestions as to how its deeper meaning or its ‘regulative ideal’ (Miller 1993) should be specified. One such suggestion is democracy understood as *deliberative* democracy, and in the paper it is argued not only that this regulative ideal of democracy is more valid and rewarding than – in broad terms – ‘economic’ conceptions of democracy but also that it embodies a basic and highly recognised legitimacy. Against this background, the paper *was originally meant to* make a comparison between two different welfare models in respect of their prospects of enhancing a viable and sustainable deliberative democracy, namely, on the one hand, the currently influential ‘Third-Way’ strategy and, on the other, a basic income scheme. Owing to unforeseen circumstances, however, I have instead had to build upon another paper, in which the Third Way is compared not to basic income but to the former Danish welfare model of equal citizenship based upon universal rights and duties.<sup>1</sup> In spite of this, I have found it reasonable to maintain the originally intended title of the paper, since this model in decisive respects is in harmony with the basic-income solution. As a matter of fact, I think that the Danish development during the 1980s and the early 1990s can in many ways be seen as an interesting experiment of basic income in practice. In addition, I would like to draw attention to the conclusion of this paper, which points to basic income as a potential third ‘Third Way’.

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<sup>1</sup> Jorn Loftager, *Which Democracy – Whose Welfare?*, paper for the XXI Conference of the Nordic Sociological Association, Reykjavik, August 15-17, 2002.



## Introduction

The securing of democracy was an important general motive behind the development of the welfare state. Dearly bought experience from the preceding decades had revealed that neither the planned economy of state socialism nor free-market capitalism made up an adequate basis of democratic government. By means of the so-called ‘demos strategy’, including a politically regulated market economy and a basic measure of welfare for all (Korsgaard 1999), the welfare state was supposed to lead society along a new and democratic *Third Way*. In a long-ago classic essay, T.H. Marshall outlined how an equal status of citizenship was progressing on the basis of universal civil, political and – especially – social rights in spite of the continuing prevalence of economic inequalities inherent in market capitalism (Marshall 1950/1996; cf. below).

After intensive discussions in the 1970s and 1980s dominated by Marxist and neo-liberal positions respectively, during the 1990s the problematic of democracy and capitalism disappeared to a large extent as a perspective and theme for discussions on the welfare state (Eriksen & Loftager 1996). An immediate reason for that was no doubt the collapse of the former socialist regimes in the late 1980s and the ensuing almost complete consent to the institutions of liberal democracy. With one stroke, democracy became something trivial, something ‘without enemies’ (Beck 1998), and correspondingly the question of the socio-economic conditions of democracy lost its relevance. From this ‘taking-for-granted’ premise, attention has concentrated instead on democratising the public sector on an institutional level by means of decentralisation, user and customer influence on policy implementation and the managing of institutions (Eriksen 1998).

However, such democratising remedies seem to concern effectiveness rather than democracy proper, and as far as I can see, there are still good reasons to maintain an interest in the relationships between the welfare state, capitalism and democracy. Generally because the structural tensions between capitalism and democracy are still with us, and more specifically because of certain current trends concerning both ‘what kind of democracy’ and ‘whose welfare’ we are talking about. What I am thinking of is, on the one hand, a profound and growing interest in democracy as *deliberative* democracy, according to which the democratic role of the citizen is not merely that of expressing preferences, choosing and voting but also, and most importantly, that of taking part in public reasoning and deliberation; and the latter role is much more

vulnerable to disturbances caused by socio-economic inequalities and asymmetric power relations than is the former. On the other hand, I am referring to the theory and practice of new welfare policies under headlines like ‘from welfare to workfare’ or ‘from passive to active policies’, which have been introduced as central parts of a (new) *Third Way* (Giddens 1998; Rose 1999). Although something like deliberative democracy seems to be endorsed by Third-Way proponents, the delicate question is, I shall contend, if this is a promising cocktail.

Against this background, the overall concern of this paper is to discuss what kind of welfare system can nurture deliberative democracy, and my basic contention is that the former Third Way comes much better off in that respect compared to the present-day version of the Third Way.

In the first section of the paper I shall outline the idea of deliberative democracy by profiling it against the economic theory of democracy and with a special focus on the question of its socio-economic base. In the second section, Habermas’ historical analysis of the decay of the public sphere is confronted with Marshall’s theory of social class and citizenship, and referring to the Danish case it is argued that Marshall’s vision of an equal status of citizenship to a large extent has been realised by the Nordic universal welfare state.

The third section briefly portrays the new Third Way, stressing how it introduces new ideas of community and of the proper relationship between the individual and the state. As an empirical case, I shall refer to the strategy of activation implemented under the Danish welfare reforms of the 1990s, and it will be shown how it embraces elements which challenge the ideals of equal citizenship.

The last section will briefly summarise some key results from analyses on the effects and basic assumptions of activation and I shall on this background speculate a little on possible alternative third way strategies.

## **Deliberative democracy**

The strong consensus after 1989 on the institutional content of democracy – the basic institutions and rights of liberal democracy – has not been followed by a similar

agreement about the deeper meaning of democracy. On the contrary, the ‘end of history’ has given rise to widespread discussions on its ‘regulative ideal’ (Miller 1993; Jakobsen & Kelstrup 1999). One of the most significant theories is that of deliberative democracy (...). Even though this theory is represented by several different positions, they all focus on public reasoning and debate as the cornerstone of democracy. Likewise, although it has in no way won hegemonic status, the work of Jürgen Habermas serves as a common point of reference, and it is interesting to observe the expansion of the debate which followed after the translation into English of Habermas’ classic analysis on the public sphere from 1962 (Habermas 1989).

In this section I shall in a few words present some important features of deliberative democracy, stressing the way in which this theory differs from – broadly spoken – economic conceptions of democracy.

The phrase ‘economic theory of democracy’ was used by Anthony Downs as the title of his – also classic – book from 1957 (Downs 1957). Its basic idea is that political man is identical to economic man. Voters are considered as consumers on the political market, choosing among commodities supplied by the political parties as producers. And as a parallel to the capitalist company’s motive of profit maximisation, “parties formulate politics in order to win elections rather than win elections in order to formulate politics” (ibid., p. 28). In his likewise classic account, Schumpeter similarly states: ”... we must ... start from the competitive struggle for power and office and realize that the social function is fulfilled, as it were, incidentally – in the same sense as production is incidental to the making of profits” (Schumpeter 1943/1976: 282).

Lacking a ‘real’ market mechanism in the political sphere, the basic problem of democracy on these premises is how to aggregate pre-given preferences in order to respect the principle of political equality – one man, one vote. And much of the debate within the tradition of *public choice* has been concerned with the question of constructing solutions to this problem of aggregation (Kurrild Klitgaard 1999).

However, the democratic ideal of what I prefer to call *mirroring* is not limited to positions that (explicitly) share the economic-man premises. It is a much more widespread ideal, also in the public at large, that democracy is fundamentally popular government, meaning that political decisions ought to be in accordance with the will or the preferences of the people or – in practice – its majority. For instance, the grand old man of democratic theory, Robert A. Dahl’s definition points to “the continuing

responsiveness of the government to the preferences of its citizens considered as political equals” (Dahl 1971: 1).

In spite of its prevalence, the economic theory of democracy has several important limitations. On its own premises, the problem of aggregation is difficult and in principle impossible to solve, in the sense that there is no single voting procedure which can aggregate the preferences of the voters in an unambiguous and optimal way (Kurrild Klitgaard 1999). So there happens to be a necessary element of arbitrariness detrimental to the acknowledged values of democracy. Another limitation concerns the assumption of pre-given preferences. The problem is that the dynamics of preference-shaping and opinion-formation, which seems to count a lot in real world democratic politics, are excluded by definition from the democratic process. The ideal of mirroring makes up a third problem, in the sense that this ideal is not only generally appreciated, but also highly contested. On the one hand, representatives should be responsive to the electorate and act according to its demands. On the other hand, populism, opportunism and ‘Gallup politicians’ form negative expressions, referring implicitly to quite another ideal of representation. A fourth challenge to the economic theory of democracy is that it makes no room for rational political reasoning and argumentation. Whereas the actual existence of ideals of dialogue and rational political debate cannot be denied, it can be maintained, of course, that such ideals make up illusions and that in the last instance politics is essentially a game of power and interests and/or subjectively chosen preferences that will only allow of self-oriented strategic behaviour and pure instrumental rationality.

Precisely on this point the contrast vis-à-vis deliberative democracy is evident and pronounced. According to this theory, the regulative ideal and basic promise of democracy is *not* aggregation of preferences. Rather, the ideal is that political decisions should be based upon public reasoning, discussion and deliberation. Political man is not identical to the man acting in the textbooks of economics; arguments rather than preferences make up the atoms of democracy. Of course, preferences, interests, attitudes etc. are there, but they are to be seen as results as well as starting points of political processes in which the force of the better argument ought to prevail.

Deliberative democracy is also different from the economic conception of democracy, in that it involves the presence of a political community or citizenship: reasoning – as opposed to mere choosing – presupposes someone to reason with. Furthermore, that kind of democratic interplay forms a positive-sum game somehow similar, for



instance, to a scientific community of researchers. Problem-solving is the primary aspect of both types of conduct (Dewey 1927).

Regarding the question of political participation, I myself find it important to stress that whereas economic theories of democracy to a large extent have been focusing on voting - in some cases just as an instrument of choosing among competing elites (Schumpeter) – the very ideal of mirroring does not preclude extensive participation. ‘Voice’ is also a way of expressing preferences, for instance by means of user boards in public institutions or grass-root actions, which seems to be fully in accordance with the premises of an economic conception of democracy. On the other hand, deliberative democracy is not participatory democracy in the sense that participation is considered as something good in it self. The crucial thing is that everyone should have the opportunity of taking part in the processes of political deliberation and reasoning, but in so far as one does not have any contribution to make, it is certainly not a deed to demand an equal share of influence in particular policy processes.

Likewise, the notion of deliberative democracy that I am trying to expound, does not consider political representation as a necessary second best compared to direct democracy. The public sphere is not a forum of governance, and it can fulfil its undertakings of deliberation, enlightenment and debate – and so function as a ‘sounding-board’ (Habermas 1992) for social needs, problems and aspirations – only if there exists a distinct and separate formal governmental structure including elected representatives. Similarly, the kind of ‘common good’ that correspond to the claim of political rationality must be understood as an *ironic*, ‘for the time being’ common good in the sense that the better argument will always and necessarily be the *provisional* better argument.

## **Socio-economic conditions of deliberative democracy**

Habermas’ history of the structural transformation of the public sphere is a history of decay (Habermas 1989). Surely the actual public sphere was never fully in accordance with its own ideal, but the analysis certifies that for one thing, in the late 18th century the British Parliament had to give up its exclusivity and recognise the public as a partner of discussion. For another thing, although only a minority of the (male) population was included, at the time it was possible to believe in a future in which

everyone would have the chance of fulfilling the admission requirements in the shape of property and general education or enlightenment (Bildung). However, in the course of the 19<sup>th</sup> century it was revealed how the ideal of generalised possession of property would never be realised. Instead the political sphere was gradually opened to groups that did not meet the demands concerning economic independency and general education. As a consequence, politics proved *not* to be a matter of rational discussion and problem solving in order to realise a common good. Rather, it was essentially about conflicting groups fighting to promote their distinctive interests – in agreement with what should become the standard idea of politics in political science. History seemed to demonstrate the incompatibility between capitalism and (deliberative) democracy.

And to make a long and complicated story very short, according to the early Habermas, the overall socio-political development in the 20<sup>th</sup> century does not change this conclusion. Especially, he does not believe that the evolving social rights connected to the expanding post-war welfare state would be able to serve as a kind of new basis for the securing of economic independency and autonomy for each and every citizen. Rather than neutralising class positions and securing an equal citizenship, the welfare state defines a new ‘class’ of dependent clients.

In that respect, the conclusion in Marshall’s seminal essay on social class and citizenship is totally different. The basic message here is that the class inequalities of capitalism can be met by establishing an equal *status* of citizenship – “the inequality of the class system may be acceptable provided the equality of citizenship is recognized” (1950/1996: 6). According to Marshall, citizenship is constituted by three sets of universal rights: civil, political and social rights evolving in the 18<sup>th</sup> the 19<sup>th</sup> and the 20<sup>th</sup> century, respectively. A crucial point is that the different rights make up a *system* of rights, so that the accomplishment of each of them presupposes the completion of the others. Especially, Marshall stresses how the equal fulfilment of civil and political rights is conditioned by the establishing of universal social rights. Whereas public support under the poor law resulted in *withdrawal* of civil and political rights the fundamental novelty of the 20<sup>th</sup> century is that such support is given *as* rights

”... social rights imply an absolute right to a certain standard of civilisation which is conditional only of the discharge of the general duties of citizenship. Their content does not depend on the economic value of the individual claimant ... thus creating a universal right to an income which is not proportionate to the market value of the claimant” (ibid.: 26, 28).

The same universalism which is constitutive for the state governed by law should also characterise the welfare state. And it is precisely because social rights are given as universal rights of citizenship that the problems of stigmatisation and clientelisation are avoided.

“What matters is that there is a general enrichment of the concrete substance of civilised life ... Equalisation is not so much between classes as between individuals within a population which is now treated for this purpose as though it were one class. Equality of status is more important than equality of income” (p. 33).

Now, comparing Marshall’s hopes and visions to Habermas’ pessimistic outlook, I would argue that the former are in much better accordance with the actual main trends during the last four decades than is the latter, especially if one thinks of the Nordic welfare state. As a matter of form, it should be added that in his later works Habermas has changed his appraisals considerably (Habermas 1989; 1992); however, with regard to the question of the basic conditions of a functioning political public sphere, I find it still most fruitful to refer to the original analysis.

In what follows I shall substantiate this assessment by referring briefly to the Danish development, which seems to have accomplished Marshall’s anticipations to a high degree. Firstly, the Danish welfare state is an example of the universalistic model, where relatively generous social goods and services are tax-financed and given as rights of citizenship. Referring both to the political forces that brought about the Nordic welfare states historically and to their so-called de-commodifying qualities, it has been commonplace to label these states ‘social democratic’ (Esping-Andersen 1990). However, at least regarding the Danish welfare state, I think that ‘social-liberal’ is a much more appropriate designation. On the one hand, the liberal or bourgeois political parties have played a major role in important formative decisions (Nørgaard 1999). On the other hand, and more importantly, the principle of universalism belongs basically to a *liberal* universe. And whereas it is important to stress the de-commodifying aspects of social rights of citizenship, it is just as well crucial to notice and recognise the market *conformity* characterising universalistic rights and schemes.

Historically, the development of the Danish welfare state nicely illustrates Marshall’s theory of a progressing citizenship (Bjørn ; Loftager forthcoming), but here we have to concentrate on the period since the early 1970s. In that period the Danish welfare system has contributed to a practical ‘universalisation’ in the specific sense that

virtually all grown-up Danes have become individual income-receivers, which amounts to no less than a basic historic novelty. The expansion of the public service sector played an important role for a profound increase in women's labour-market participation rate; the same did undoubtedly the extension of the system of income transfers, and in all cases it meant that almost all people without an earned income of their own were guaranteed an income from the state. In that respect, it is crucial to notice that various job-offer and educational schemes made it possible to regain entitlement to unemployment benefits without any time limit. A so-called principle of income-replacement in the social security system was pointing in the same direction, and so was an early-retirement scheme, which quickly became a universal right, partly by virtue of its being financed by general taxes and partly by virtue of the fact that it covered most of the work force. In addition, for some years a so-called transitional benefit allowed long-term unemployed people above 50 years of age to go on (very) early retirement. At the other end of the age scale, the child allowance was universalised, in the sense that it was granted without income test, and the same became true of the educational benefit system. Altogether, this development indicated a scenario towards the ultimate universalistic welfare system, namely that of a basic or citizen income given unconditionally as a right to every citizen (Goul Andersen 1996; Loftager 1996).

In a broad historical perspective, it seems both instructive and obvious to appraise the resulting securing of universal economic independency as a kind of substitute for the general possession of property which used to make up a necessary – although not sufficient – requirement for a deliberative democracy based upon a status of equal citizenship. Certainly, Marshall did not imagine a development like the Danish, neither regarding the size of the workforce, nor concerning the large proportion – around 20 per cent – of the population on public transfer income. However, these conditions don't seem to be inconsistent with his ideal. This is self-evident with regard to the emergence of an independent basis of support for women, and actually it can be brought up as a rather serious problem in Marshall's analysis that he ignores the question of women's (previous) economic dependency on the husband. It might seem more difficult to bring a situation in which around 20 per cent of the population of working age live on transfer payments into accordance with a notion of equal citizenship. In principle, however, it is unproblematic. As mentioned above, the decisive thing is that a person's status is not determined by his or her market capacity but by universal rights of citizenship. Quite another thing is, of course, if the condition of receiving 'passive' support results in marginalisation and exclusion. Precisely that

has been a main point of view in the Danish political debate on welfare in general and a central argument behind the activation reforms in particular, but, as will be appear below, it is an argument without firm empirical foundation.

## **The new third way of activation**

It is disputed how radical a change the activation strategy represents. Some argues that it is in good accordance with traditional policies (Green-Pedresen et. al.; Nørgaard 1998), others find that it involves a heavy tightening but not qualitative changes (Abrahamson & Oorschot 2002), and still others claim that the changes amount to a shift of paradigm (Cox 1998). My own conclusion is that it is in fact justified to talk about a radical change of paradigm. Although at present much looks the same as before, potentially far-reaching changes have been implemented, and a new discourse has clearly manifested itself (Jespersen & Rasmussen 1998).

First and foremost and very simple: Whereas so-called ‘passive’ support used to make up an/the obvious general *solution* to the generic social-order problems of capitalist society, such public support is now conceived of as the basic *problem*. The inspiration behind this ‘Copernican turn’ clearly comes from the idea of workfare rather than welfare, which in turn forms a basic part of the politics of the current Third Way (Jordan 1998; Rose 1999). In that connection, it is important to stress that workfare is not concomitant to a neo-liberal minimal-state strategy. Rather, it is primarily coupled to communitarian concerns for community and inclusion accompanied by a strong conviction that it is both the right and the duty of the state to take responsibility for its protection (Mead 1986, 1997; Etzioni 1993). Secondly, however, the discourse of activation also includes economic-liberalistic notions of ‘give and take’ (Jespersen & Rasmussen 1999; Nørskov Toke 2002), and precisely the combination of neo-liberal supply-economic beliefs and a communitarian philosophy of community appears to be characteristic of the present Third Way. For a more elaborate and general analysis, readers are referred to Nicolas Rose, who shows how notions of human and social capital make up mitigating elements in that they introduce ”etho-politics into economics through the capitalization of morality in the service of national economic advantage” (op.cit., p. 282). Here I shall content myself with discussing the way in which this mixture appears in the Danish politics of activation.

It finds an immediate expression in a typical doubleness regarding the anxiety for societal solidarity. That is to say, the anxiety does not only relate to the (asserted) negative consequences of welfare benefits to the recipients. It also concerns the legitimacy of the benefits in the eyes of the taxpayers – how can one expect them to accept high tax levels in order to support people who don't do anything in return?

The basic assumption of the activation strategy is that passive support is de-qualifying as well as de-motivating. It takes away the incitement to seek and accept jobs and so it produces marginalisation from the labour market, which in turn results in further social marginalisation and exclusion.

However, the answer should not be 'laissez faire, laissez passer'. Rather, the response should be what Giddens in his *The Third Way* labels 'generative policies', aiming at 'positive welfare' (Giddens 1998). Whereas the old welfare state passivated and clientelised its citizens, the new Third-Way welfare state is going to insure that each individual becomes able to support himself and so contribute to the community. In that respect, the central instrument is the duty to do something immediately in return for any public support received.

But, one might object, is this something new? Has it not always been the case that the right to support is conditioned by an obligation to work? The answer, of course, is yes. The difference – and the difference that really makes a difference – is, however, that previously the duty of availability was a duty to accept an offer of a job on *ordinary conditions* on equal terms with everybody else. In other words, the difference is between duties and requirements that are universally in force and duties that are not known in advance and are not the result of a freely negotiated contract. General duties and obligations are totally in accordance with the liberal ideal of an equal citizenship. Because of their universality, duties to pay taxes, to education and to military service etc. express *equality* of status. In contrast to that, the activation duties as they are defined – in the last instance – by the authorities signalise and institutionalise differences and *inequality* of status.

Compared to other descriptions of the activation policies, the above way of characterising it may look rather biased. In his analysis, for instance, Torfing stresses how the Danish government has succeeded "to detach workfare from its neo-liberal 'origin' and to reformulate its content in accordance with the socio-political legacy in Denmark" (Torfing 1999, p.17). It is emphasised, that the Danish success in fighting

unemployment does not reflect an increasing number of “working poor”, and Torfing also gives a basically positive account of the activation measures and demands vis-à-vis each individual unemployed. In that respect the so-called individual action plans are of crucial importance. They are plans that are prepared for each unemployed person in order to improve the effectiveness of the efforts. In accordance with the officially formulated intentions, Torfing stresses, that the plans make it possible to target activities and demands in ways that are meaningful and he states that “activation through participation in “futile work-for-the-sake-of-working projects” is limited, as the law does not aim at repressing and punishing the unemployed” (ibid., p.18).

Immediately this is correct. At the same time, however, it must be added that no one have tried to disguise that activation is not only about carrots. It is also about sticks and the authorities does not try to deny that the expected effect of activation to a considerable degree is due to the factor of motivation which is connected both to the demand of activation and to the prospect of loosing one’s income for good (Arbejdsministeriet 2000).

In some cases the element of targeting may result in greater effectiveness, and evaluation studies indicate that a majority of the involved persons express positive attitudes towards the activation projects (Hansen 2001). Nevertheless, it appears to be more than doubtful to characterise the politics of activation in general and the action plans in particular as being in good accordance with the Danish socio-politico legacy. The very idea, that it is the responsibility and duty for the state to demand binding contracts with citizens on so far reaching matters, represents a paternalism that seems alien in a Danish context (Nørskov Toke 2002). Certainly, in some cases paternalism might be in accordance with liberal premises, namely if the people in question have lost their autonomy because for instance of old age, illness or drug dependency. That goes without saying is a very exceptional situation regarding unemployed people and so there has evolved an apparent discrepancy in Danish social policy between on the one hand a subject area like compulsory treatment of drug addicts where the authorities have been very cautious not to encroach the integrity and autonomy of the individual and on the other hand the area of activation where this hardly has been an issue at all (ibid.).

People on activation are not only obliged to work on other and poorer conditions than people in ordinary jobs in that they don’t enjoy what Marshall termed ‘collective civil rights’ stemming from collective agreements. Another, principally far reaching change

of the Labour market reform of 1994 is that activation activities no longer means renewed right to unemployment benefits. As a result the previous guarantee of upholding the status of individual income receiver does no longer exist. The period of support is limited to four years; after that unemployed people might get social security payments, but these are tested against the family income so that even a rather modest income of the spouse eliminate the entitlement.

In this way (involuntary) private support has re-emerged as a social recognised and legitimate form of support. In the light of communitarian ideals of strong family ties this may be appraised as a step of progress, but it seems difficult to bring in harmony with liberal ideas of equal citizenship.

In the Danish debate it has been a main argument against passive transfers that they generate dependency on the state and undermine the ideal of taking care of oneself. However, apart from the fact that people on activation still get their livelihood from the state, what matters according a citizenship perspective is not dependency as such but different sorts of dependency. Again, in perspective of the ideal of equal citizenship the critical types of dependency are those that do not appear from general rules but stem from unpredictable bureaucratic discretion. In those cases there is a principal risk of encroachment of the citizens' autonomy and integrity and so – ultimately – of weakened civil and political rights.

As mentioned above, according to the deliberative conception of democracy the opportunity of *public* participation in political reasoning and opinion formation is of crucial importance, but such participation presupposes the presence of the kind of private autonomy, which the course of activation potentially threatens. If your economic subsistence is dependent on the good will of the authorities then this makes up a rather weak basis for (critical) political activity – parallel to the intimidation of electors by employers before the ballot was made secret (Elklit 1989).

In addition to that kind of potential direct consequences, the activation might also weaken the status of citizenship more indirectly by producing stigmatisation; activated persons are 'weak' persons, who need special treatment and help in order to develop appropriate attitudes and personal qualities (Carstens 1998). And activation as upbringing is, of course, a primary example of communitarian paternalism.



In general the difference between the previous and the new Third Way can be said to consist of two categorically different notions of community. Whereas Marshall's citizenship is to be understood as a liberal socio-political community of citizens with equal rights and duties, the community associated with the politics of activation is identical to the community of work. It appears - mechanically - as a reflex of everyone's respecting the norm of doing paid work. So, activation is not merely a means to get more people into ordinary jobs, it is also an end in itself, because it ensures, "that people are included in meaningful (work)communities. I.e. participation in this connection is an aim in itself, because it is considered to be good to the individual – also if it does not lead to Self-support" (Socialministeriet 2000: 50-51) (my translation, JL).

As shown in several analyses such communitarian argumentation is widespread in the Danish discourse of activation (Jespersen & Rasmussen 1998; Nørskov Toke 2002), Referring to Durkheim's famous conception of solidarity, this indicates the presence of a mechanical understanding of solidarity, according to which inclusion is based on the sharing of common values and norms (Loftager 2000). If one *defines* community as community of work, activation becomes a categorical imperative, i.e. a claim and a duty that doesn't need to be argued further by means of reference to specific consequences.

This interpretation is in good accordance with the fact that the belief in the principle of activation has not been disturbed by several studies, which to a large extent have questioned its results in terms of effects on employment and its basic assumptions in general. So there has been cast serious doubt on the core supposition, that passive support produces marginalisation and exclusion. Certainly, it has been well documented that there is co-variance between (long term) unemployment and a lot of social problems and calamities such as problems of abuse, family dissolution, illness and early death (Nygaard Christoffersen 1996). But what is the cause and what is the effect? It goes without saying that for instance serious illness might as well be the cause of long term unemployment rather than the other way round. On the other hand, studies of people on public transfers clearly indicate that passive support only to a very small degree produces marginalisation. The striking and perhaps surprising fact is the extent to which long term unemployed people and people on early retirement manage to continue their usual daily lives concerning habitation, contact to family and friends and participation in various social activities (Goul Andersen 1996, 2002; Goul Andersen & Lund Clement 1999).

Likewise, the fear of a shrinking solidarity among the taxpayers towards the receivers of public transfer payments also seems to be unfounded (Goul Andersen 1996).

With regard to the profound reduction of the number of Danish unemployed persons during the 1990s it is commonplace to explain it as an effect of the activation policies. However, neither this assumption is in accordance with available facts and figures. A newly overview of the existing evaluation studies in Holland and Denmark concludes that the employment effect of activation has been rather limited and in some cases even negative (Abrahamsson & Oorshot 2002). Furthermore, a panel study, which followed a number of unemployed persons over four years, casts heavy doubt on the validity of the basic premise of unemployment as primarily *structural* unemployment. The study in question shows that renewed labour market integration only to a very small extent can be explained by the expected factors: the length of the period of unemployment, level of education and job motivation (Albrekt Larsen 2002).

Finally, in addition to the much celebrated reduction of unemployment from 349,000 persons in 1993 to the 150,000 persons in 2000 corresponding to 57 per cent it is worth mentioning that the total number of publicly supported persons in the same period only was reduced from 1,034,000 to 890,000 corresponding to 14 per cent (Dansk Arbejdsgiverforening 2001; and also that the employment rate for the age-group 15-66 was the same in 1999 as it was in 1993, namely 73.5 per cent (CASA 2000).

## **Concluding remarks: Beyond the (new) Third Way?**

The realisation of the ideal of deliberative democracy presupposes that everyone can take part in public reasoning and deliberation as autonomous and independent citizens. Originally the fulfilment of this requirement was associated with the emergence of a market society, which allowed every person to become possessor of property. Thus the course development marked by capitalist class divisions made up a hard stroke towards the idea of an equal citizenship, and the delicate relationship between capitalism and democracy became a returning main theme in political sociology. In the post war period the attention has to a large extent concentrated on the welfare state and its potentials as a guarantor for democracy. The basic idea was that the establishment of social rights might constitute a basis for an equal citizenship. A principal problem

with this solution is, however, that the welfare state itself, depending on its structure and way of functioning, might create new dependencies detrimental to the preconditions of democracy and especially deliberative democracy.

Based upon general observations and theoretical arguments as well as Danish evidence the main conclusion of this paper is that with regard to that the former Marshall-like Third Way comes better off than the currently dominating Third Way. It should be stressed that the paper has not dealt with the actual deliberative working of democracy under the condition of the new Third Way. Probably it would be very difficult to register any immediate effects of the shift of welfare paradigm. The focus has been on (one of) the pillars on which democracy rests and it goes without saying that the consequences for democracy will appear only in the longer run.

It is not my ambition to make forecast of democracy's future development but so much seems certain that although democracy has become a democracy without enemies – if that holds true after the 11<sup>th</sup> September! – its prospects will still be dependent on its socio-economic conditions.

To the extent that my conclusions are valid the interesting question is of course, what kind of a future welfare system might nurture deliberative democracy. In line with the main argument of the paper the general answer is that instead of following the current third way of selectivity it seems appropriate to suggest an expanded universalism as an obvious alternative. It is beyond this paper to appraise the realism and practicality of a basic or citizens income, but the general positive Danish experiences concerning the 'passive' – but not passivating! – transferences might indicate that such an income is much more sensible and imaginative than the currently dominating discourse on welfare politics would let us to believe. It might be an interesting new chapter in the history of expanding citizenship.

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