1. Introduction: transformative social policy

Traditionally, social policy has been about the provision of human need, particularly the need for basic subsistence and care (see e.g. Dean, 2020). At the same time, it has been about balancing the capitalist mode of economic production. As Karl Polanyi (1944) has noted, capitalism tends to commodify workers, and therefore social policy has re-embedded labour in its social relations, thereby balancing inherent injustices of the market economy.

In many ways, social policy has been immensely successful, especially during the decades after the Second World War. The modern welfare state has levelled out socioeconomic inequalities and helped human societies to progress and flourish. Welfare states have provided citizens with equal access to education, health and social care, and they have redistributed income and wealth through taxation and social security policy. Among the various 20th-century welfare regimes, the Nordic welfare states have been particularly well known for their combination of economic efficiency and social equality (Esping-Andersen, 1990). During the decades after the Second World War, the Nordic countries not only dealt with social problems when they emerged, but through social policy prevented them from arising in the first place.

In spite of this past success, it is time to rethink the foundations of social policy, including the notions of the individual and society that social policy is grounded upon. We must also rethink the issue of social development. Where are current social policies taking our societies? Is this development desirable?

This book presents the results of such a rethinking. In the following pages, I will develop and advocate a notion of creative social policy, which is about the emancipation of human potential. At the core of this notion is the idea that every human being – not just creative artists or successful elites – has a potential waiting to be realized. Creative social policy is about unleashing this human potential at the collective level, thereby helping societies to prosper and progress. Progress, in this sense, means not only economic or technological progress but – perhaps primarily – cultural progress: the full expression of humanity through arts, sciences and spiritual life – or indeed any form of life human beings may create in order to pursue what they wish to accomplish.

The collective liberation and enhancement of creative potential is achieved by ensuring all citizens have equal opportunities to participate in economic and
social life. This aim has been an inherent part of modern social policy, but as I argue in this book, this aspect of social policy has been in danger of becoming obscured in the process of recent socioeconomic transformation. Societies are currently developing in rather unstable ways, experiencing crisis after crisis.

There is a case for rethinking the very concept of social policy, and a need for alternative ideas. In the following pages, I will elaborate the grounds for this case, which are associated with recent developments in both practical and academic social policy. I will then proceed by investigating and clarifying what creative social policy might mean and how the concept relates to our past ways of thinking about and pursuing social policy. I will also seek to establish some directions regarding what creative social policy might imply in the future. The first step of this conceptual investigation will be to discuss the relationship between knowledge, conceptual thinking and (practical) social policy. I will review the intellectual origins of social policy and briefly reflect on welfare state change. I will argue that since around the 1980s and 1990s, practical social policy has become increasingly subordinated to the functions of capitalist production (see also Blyth, 2002; Jessop, 2002). On the other hand, some branches of academic social policy have contributed to economics imperialism (Fine and Milonakis, 2009), whereby the methods and assumptions of mainstream neoclassical economics are, to an increasing extent, being applied to social issues. As a consequence, the meaning of certain key concepts, such as growth, productivity, unemployment and redistribution of resources, tend to be conceived of in terms of postulates derived from neoclassical economics. I suggest that in order to guard itself from the harmful effects of economics imperialism, academic social policy needs to engage in a critical discussion with neoclassical economics and look for alternative ways of conceptualizing the economy – and particularly the relationship between the economy and practical social policy.

In Chapter 3, I discuss the relationship between conceptual thinking and social policy intervention. I present the idea that the way we think of the concept of social policy – including our assumptions of individual and collective behaviour – will affect the way we think about practical social policies. What type of development do we envisage as a consequence of practical social policy? Chapter 3 establishes an epistemological position which I will draw upon in the rest of the book. The main point of the chapter is that we should include reflections about the aims of social policy in our conceptual and empirical investigations. Furthermore, I seek ways to bridge the gap between conceptual thinking and empirical observation by discussing dualistic and holistic approaches to knowledge. I present an expanded, holistic form of knowledge, which not only includes the aims of social policy in research but also the creative design of the content of social policy intervention based on knowledge and awareness of the aims. This form of knowledge expands
dualist forms of knowledge, which tend to take the aims of social policy and normative issues (including matters related to the use and distribution of power) for granted. Chapter 3 will establish a path for the rest of the book, which includes historical knowledge of past social policies, engaging with academic economics regarding the aims of social policy, and the design of new kinds of social policies.

The 1980s and 1990s constitute a watershed in the development of modern welfare states. Scholarly research has grasped the changes in social policy associated with this period in terms of the intensifying globalization, economic crises and system shocks and changing demographics (see e.g. Blyth, 2002; Cerny, 1997; Huber and Stephens, 2001; Jessop, 2002; Kauto et al., 2001; Kettunen, 2008; Kosonen and Simpura, 1999; Pierson, 2001; Scharpf and Schmidt, 2000; Streeck and Thelen, 2005; Swank, 2002; Taylor-Gooby, 2002). In my own previous work, I have argued that the relationship between emancipating and constraining aspects shifted along with the transformations associated with the 1980s and 1990s (Kananen, 2014). I have suggested that during the ‘golden age’ of welfare state expansion, emancipating aspects dominated societal development in modern states – and particularly in the Nordic welfare states. Each new generation had increasing opportunities to determine the contents of their lives and feudal hierarchies began to shatter. However, since the 1990s, the relationship between emancipation and constraint has been turned around. The emancipatory aspects of the welfare state have grown weaker and policy reform has strengthened individual and collective constraint. In the area of social policy, workfare (work-for-your-welfare) reform is one example of increasing constraint. Strengthening and enforcing the obligations of benefit recipients, workfare policies tend to distinguish between the deserving and undeserving poor and reintroduce pre-modern elements of paternalism into social policy (Wacquant, 2009; see also Peck, 2001).

The idea of this book is to explore new ways of strengthening the emancipatory aspects of the welfare state. In order to do so, I suggest we must – in addition to considering the role of knowledge in relation to social policy – reflect upon the notion of the human being and the notion of society underlying our conception of social policy. The elaboration of the concept of creative social policy starts in Chapter 4, which discusses the notion of the individual underlying the concept of creative social policy. I situate my own ideas of creative social policy in a context of scholars who have contributed to our understanding of human agency and the human self in relation to others and the world. These themes are related to the discussion of dualist and holistic forms of knowledge in the preceding chapters.

In Chapter 4, I suggest the individual human being is, in principle, capable of becoming aware of the motives of their actions and thereby influencing (if not determining) the contents of their own life course – as a member of a com-
community together with others. Trying to know oneself (as the ancient Greeks urged), acting from within rather than out of motives derived from the outside, and making sense and setting the course for one’s life biography is a creative process. This view of the individual human being stands in contrast to notions suggesting that biological instincts and/or collective norms completely determine individual action. This notion of the individual (and the notion of society established in Chapter 5, in addition to the notion of the economy discussed in Chapters 7–8) leads to a view on civil society as an agent of change rather than as the object of research and policy intervention (see also Chapter 3). Hence, the design of practical creative social policy (Chapters 8–9) is rooted in civil society initiatives.

Social policy is about providing for human need and about levelling out opportunities to participate in economy and society. But it is also a form of power which affects the ways in which people behave. Social policy is about governing people – it is about creating and maintaining social structures. Therefore, social policies have productive and constructive dimensions. This means that the notion of the human being associated with social policy becomes a norm according to which people adjust their behaviour. In other words, there is a sense in which social policy produces the kind of human being it envisions – regardless of whether this envisioning occurs consciously or not. If we think the human being merely follows norms and instincts, we tend to design and advocate social policies that seek to steer and influence human behaviour according to external motives. If we think the human being has creative potential and can know themselves and set the course of their life biography, we tend to design and advocate emancipatory policies that allow the human being to act according to internal motives and act creatively. The same applies to society as a whole. Social policy operates at the collective level and therefore shapes entire societies. The direction this shaping takes depends upon the notion of society associated with the concept of social policy.

In social theory, the notion of the individual is a much-debated question. As noted above, this debate centres on the question of whether the individual human being is, in principle, capable of setting their own goals in life or whether the motives of individual action are derived from external sources – from collective norms or traditions, for instance (see e.g. Andersen and Kaspersen, 2007). Structuralist social theory holds that the reasons and motives for individual action may always be traced back to the characteristics of social structures. For example, the educational background of parents tends to predict the educational attainments of children. People may imagine they make individual choices in life, but at the aggregate level, their choices show remarkable patterns.

As I indicated, the notion of creative social policy outlined in Chapter 4 is founded upon a position in this debate according to which the individual is, in
principle, capable of determining the contents and aims of their life biography. In Chapter 4, I show how such individuation is the result of a transformed life of thinking, feeling and willing. By consciously working on themselves, the individual human being may become increasingly aware of their relation to other people and society in general. In such a way, the human being may begin to act from within – according to motives determined by themselves (see also Taylor, 1985a).

At the surface level, it is hard to determine whether or not an individual human being acts from within. Nevertheless, for each individual person it is possible to become increasingly aware of one’s own motives and the grounds for one’s action. This self-awareness is associated with the realization of creative potential. If one becomes increasingly aware of oneself, one is capable of recognizing one’s individual creative potential and – in complete freedom and on one’s own initiative – start working towards its realization (or actualization, as Gilles Deleuze would say). When developing and discussing this position in Chapter 4, I draw on the German idealist tradition of philosophy and also contemporary theorists such as Anthony Giddens, Gillez Deleuze and the transformative philosophy of Thomas Wallgren.

CREATIVE HUMAN BEINGS AND CREATIVE SOCIETIES

Chapter 5 deals with society. A notion of individual autonomy and human creativity (Chapter 4) does not rule out awareness of social structures and the possibility of collective emancipation. Based on a review of welfare state development in the past, it adds to the concept of creative social policy that it is, in principle, possible for states to engage in emancipatory social policy at the collective level. In other words, the chapter formulates the understanding of society that is inherent to the concept of creative social policy.

Society is a moving target. It has no fixed life course as the individual human being does, but keeps evolving throughout history. Therefore, considering the notion of society underlying the concept of creative social policy becomes an investigation of the historicity of creative social policy. It is not possible to define society in an abstract way and derive an alternative concept of social policy from this abstract notion. When discussing society, we must consider the way in which society has evolved in the past and the ways in which it is evolving presently.

In Chapter 5, I show how creative social policy has a historicity – or to put it in another way, how creative social policy has occurred in the past. From this perspective, the Nordic countries constitute interesting cases. During the post-war years of welfare state expansion, the Nordic countries liberated and enhanced human creative potential at the collective level through social policy.
As a consequence, opportunities to participate in the economy and society became more equal than before. Nordic policy-makers had a clear view of society and a clear notion of the structural causes of unemployment and social problems. They also had a modern notion of society, according to which all citizens are born equal.

However, as I point out in Chapter 4, the Nordic welfare model was characterized by collectivism. Although there was a culture of autonomy and longing for solitude (Trägårdh, 1997), the state apparatus was organized in a top-down fashion and the state apparatus and bureaucratic structures looked at the individual primarily as a member of the collective. This collectivism was – for a certain period – emancipatory, as it broke down existing hierarchies.

In the 1980s and 1990s, a more articulated notion of the individual human being began to make its way into Nordic policy-making. However, this individual was merely a prototype of the enlightened modern individual envisioned by people like Immanuel Kant in the 18th century. This was the rational and utility-maximizing *homo economicus* of late 19th-century neoclassical economic theory, which was still more in line with utilitarian ethics, according to which the human being seeks pleasure and attempts to avoid pain. This notion of the human being emerged simultaneously with a shift of focus in economic theory from the macro to the micro level. Whereas Keynesian macroeconomics had focused on issues such as unemployment and inflation, new theories about labour market equilibrium and job search theories focused more on individual incentives to take up work (on developments in economic theory, see e.g. Milonakis and Fine, 2008; on neoclassical theory of labour market equilibrium, see Mortensen and Pissarides, 1999; Pissarides, 2000).

As I have argued before, constraining elements in politics began to strengthen. Chapter 6 reviews selected policy reforms that are in line with neoclassical economic theory and that contributed to a qualitative shift in welfare state development. Such policy reforms include workfare (see e.g. Peck, 2001), the establishment of central bank independence (MacNamara, 1998) and the pursuit of fiscal austerity (Blyth, 2013). Workfare reform is about strengthening benefit recipients’ obligations, and central bank independence paved the way for inflation-targeting replacing the previous focus on employment. Austerity, the effort to maintain a balanced budget, has been associated with spending cuts, outsourcing and privatization of welfare services. These policy reforms may be interpreted as creating more room for the market mechanism in labour markets and in welfare service provision.

The review in Chapter 6 shows that as a consequence of the qualitative shift in welfare state development, practical social policy has become increasingly subordinated to the functions of capitalist production (see also Blyth, 2002; Jessop, 2002) and increasingly distant from its traditional aims of providing for human need as a matter of right (see e.g. Marshall, 1950). This, in turn,
emphasizes the point that neoclassical economics has emerged as a contestant in debates over key issues such as the causes of unemployment, the factors of economic growth and the aims of labour market policy. It may be the case that neoclassical economics largely informs the collective rationale underlying policy reform – our understanding of how the economy works. I argue that neoclassical economics not only provides causal arguments subject to empirical validation or falsification, but also affects our collective understanding of the phenomenon of unemployment, the phenomenon of economic growth and the essence of the economy. According to this understanding, generous social security policies tend to be not sources of emancipation but barriers to growth and employment.

In fact, there are two relevant parallel developments in academic and practical social policy. As a consequence of policy reform, practical social policy has become increasingly subordinated to the functions of capitalist production. This means that the aim of practical social policy is to manage the labour supply in such a way that capitalist corporations have a willing and able workforce at their disposal. Second, some branches of academic social policy have contributed to what Fine and Milonakis (2009) describe as economics imperialism, whereby the methods and assumptions of neoclassical economics are to an increasing extent being applied to social phenomena (Chapter 2). This has occurred through introducing concepts such as human capital, social capital and social investment into social policy analysis (e.g. Morel et al., 2012).

The influence and central position of neoclassical economics prompts us – as social policy scholars – to engage more directly with economic theories, look for alternative ways of reasoning about the economy and strengthen the independent position of academic social policy in relation to neoclassical economics. Chapter 7 compares neoclassical economic theory with the alternative understanding of associative economics, which is a marginal but equally coherent way of conceptualizing the economy, and with which I align the concept of creative social policy.

Creative social policy – aligned with an alternative understanding of the economy based on associative economics – is associated with a perspective on the human being as a creative agent and on society consisting of equal human beings and capable of creating structures for collective liberation and emancipation of creative potential. For methodological reasons, neoclassical economists formulate their concepts in the language of mathematics. I do not think conceptual insight needs to be expressed in this way. Following Wittgenstein, I argue that concepts are best thought of as images or pictures rather than semantic constructs. Therefore, I use plain language in order to formulate my position regarding central concepts, such as growth, unemployment, productivity and redistribution of resources.
In popular debates, there is an understanding of social policy which is strongly influenced by neoclassical economic theory. Sometimes this understanding is backed up by reports by international organizations, such as the Organisation for Economic Co-operation and Development (OECD) and the European Union (EU) (Kananen, 2012). The understanding of social policy derived from neoclassical economics may be recognized by a rhetoric of ‘passive’ and ‘active’ social security benefits. According to this rhetoric, high levels of ‘passive’ benefits tend to create disincentives to take up work. The same understanding emphasizes ‘structural unemployment’ and ‘structural reforms’, ‘making work pay’ and ‘maintaining work incentives’. Sometimes, advocates of this type of social policy demand ‘enforcing obligations of benefit recipients’ or ‘rights versus responsibilities’, fuelled by concerns about benefit abuse or welfare dependency. Such rhetoric is often associated with claims to maintain fiscal austerity, often with reference to population ageing. The EU has invented the ‘fiscal sustainability deficit’ to calculate the amount of cuts in public spending necessary to respond to population ageing. Furthermore, the EU has institutionalized austerity as part of the rules governing the euro area (Fouskas and Gökay, 2019). The OECD offers country-specific recommendations that adapt the understanding of social policy derived from neoclassical economics to local circumstances (e.g. OECD, 2020).

Debates concerning the incentives to take up work and how to increase the supply of labour have moved the focus away from balancing the injustices of capitalism. At the same time, income, and particularly wealth inequalities have increased (OECD, 2008; Piketty, 2014). Moreover, constraining elements in societal development have strengthened at the expense of emancipation (Kananen, 2014).

Recently the global Covid-19 pandemic opened up a window of opportunity for societal, political and economic change. The lockdowns and restrictions associated with efforts to manage the spread of disease had significant economic consequences. As part of efforts to keep the economy going, governments and central banks resorted to large-scale fiscal and monetary stimulus. Central banks created money which governments used to stimulate the economy and prevent unemployment from rising. In this context, many old truths concerning the economy and the role of the state in the economy were cast under doubt – including the idea that the state should maintain a balanced budget by pursuing fiscal austerity and that central banks, independently from governments, should merely focus on inflation-targeting instead of employment growth (Financial Times, 2021a, 2021b). Indeed, the boundaries between fiscal and monetary policy appear increasingly blurred in present times, although central banks are officially independent from governments. Since the outbreak of war in Ukraine and subsequent increase of international tension, the international economy has once again been in turmoil, with fluctuating
energy prices due to economic sanctions placed on Russia. Social questions such as those related to inflation and distribution of economic resources are entangled with questions of war and peace in a way reminiscent of the early 20th century.

Already before Covid-19 there was a debate concerning the ecological and social sustainability of the capitalist mode of production (see e.g. Gough, 2017). Commentators demanded – with reference to global warming and the extinction of animal species – fundamental reforms of the system, which is founded upon the use of natural resources in order to enhance economic growth. Popular movements, such as Fridays for Future, Extinction Rebellion and Just Stop Oil have gained popularity worldwide. Furthermore, democratic policy-making is under pressure across the globe, with extreme right-wing actors challenging and undermining the order that prevailed for most of the 20th century.

It remains to be seen whether these developments will amount to a broader shift in the way we think about the purpose of the economy and also the purpose of the state, including social policy. In any case, there is a growing awareness among social policy scholars that the research agenda of social policy must change as a consequence of the ecological crisis we are facing. Hirvilammi et al. (2023) raise some important points regarding the redesign of the research questions in academic social policy. They point out that decoupling GDP growth from carbon emissions will not work (see also Vadén et al., 2020). This is an assumption that permeates most of the public discourse that tries to find ways of pursuing ‘green growth’. Economic growth, has, of course, been traditionally associated with welfare state expansion and scholars looking into the inevitable sustainability transformation ahead stress that in so far as social policy has promoted economic growth, it has been part of the problem instead of part of the solution. Instead, welfare states should be decoupled from economic growth and social policy design should consider how societies and economies function in a post-growth context. This implies also that the funding of social policy should not be dependent on economic growth.

The concept of risk – a central concept for social policy scholarship – should be expanded to include ecosocial risks, such as reduced water and food security, increased migration and rising energy prices. Scholars have also noted how potentially regressive side effects of decarbonization strategies should be managed by ecosocial policy (Hirvilammi et al., 2023, p. 5). In other words, low-income households will be hardest hit by restrictions of consumption considered necessary in order to carry out the sustainability transformation.

Furthermore, the concept of citizenship should be expanded to include ‘new normative understandings of citizens’ rights and duties, which are related to the environment, future generations and other species rather than labour markets or families’ (Hirvilammi et al., 2023, p. 6). From this perspective,
citizenship implies opportunities for people to engage in activities that help to sustain people, the environment and the democratic polis (see also Laruffa et al., 2022).

Hirvilammi et al. also point out that no welfare regime – regardless of welfare outcomes or distribution of income – has achieved a state where ecological or carbon footprints would be ecologically sustainable. Therefore, the same scholars urge researchers to scrutinize which ecosocial policies may facilitate a decoupling of welfare systems and economic growth both from the demand and supply side (Hirvilammi et al., 2023). This requires also, according to Hirvilammi et al., reaching beyond the work–welfare nexus that has been characteristic of much research on welfare regimes – presumably the nexus between wage work and welfare. Thus, social policy scholars should, perhaps, also look into decoupling the concept of welfare from wage work and, perhaps, also into decoupling work and subsistence.

Hirvilammi et al. also argue that well-being research within the field of academic social policy has focused on social and economic factors but neglected the relationship between humans and nature (Hirvilammi et al., 2023, p. 14). They refer to a relational conceptualization of human well-being as one step towards sustainability. According to this conceptualization, people are profoundly dependent on ecosystems and not separate from nature. People cannot survive without nature’s processes, such as the biodiversity of flora and fauna. This view – although quite intuitive – is in contrast with dominant understandings of nature as the object of human exploitation.

The researchers call for a new research agenda that includes the question of how human needs may be satisfied in a sustainable manner, what may constitute a ‘good life’ in the context of decreasing emissions, and how a socially and ecologically sustainable standard of living may be achieved for all human beings, today and in the future (Hirvilammi et al., 2023, p. 15). This book responds to this call in a number of ways. In Chapter 7 I discuss needs-based production from the perspective of associative economics. Chapter 4 discusses human agency, conceptualized in this book in terms of creativity. Although I do not primarily intend this as a normative concept, it is possible to understand the notion of agency discussed in this book from the perspective of the question of ‘good life’ referred to by Hirvilammi et al.

Hirvilammi et al. also refer to theories of human need, which play a central role in social policy scholarship. They distinguish between needs and need satisfiers, the former of which they argue are universal while the latter are contextual. In this book, I will not try to define human need from outside the human being. From the perspective of agency outlined in this book, what exactly constitutes human need remains a subjective question, determined in a context-specific way by each person individually. As will be discussed in Chapter 4, this view does not rule out the possibility of people engaging
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with the identification and needs of others. Indeed, this is a central aspect of co-creation as discussed in Chapter 4. However, in Chapter 7 I do discuss the confusion between needs and wants that mainstream neoclassical economics has brought upon academic scholarship. I believe this is the reason why we feel compelled to stress the importance of meeting human needs in an ecologically sustainable way. According to associative economics, presented in Chapter 7, it is the task of the economy to provide for essential human need (without confusing needs and wants).

In the literature on ecosocial policy and the transformation to ecowelfare states attention is often focused on consumption. Scholars point out that current levels and types of consumption are unsustainable. I agree with this statement, but find it important to focus on production as well. I think production and consumption are deeply entangled – it is difficult simply to regulate levels and qualities of consumption without transforming levels and qualities of production. They are two sides of the same coin, so to speak.

Therefore, Chapters 8 and 9 explicitly deal with the question of how (creative) social policy may be thought of as a means to transform the current functions of two crucial factors of capitalist production, namely, work and capital. My impression is that the transformation of the capitalist factors of production is overlooked in the literature on ecosocial policy and conceptualizations of the ecowelfare state. The idea of creative social policy, as presented in this book, is about conceptualizing social policy as a transforming force that aims at the collective emancipation of human potential. I argue that such emancipation will result in a social and economic order that achieves the kind of socially and ecologically sustainable standard of living for all human beings – called for by scholars, such as Hirvilammi et al.

TOWARDS BALANCED AND PROSPEROUS SOCIETIES

On the one hand, creative social policy is about the collective emancipation of human potential. On the other hand, it is about consciously creating structures that allow individuals and societies to develop and flourish. Chapter 5 discusses the historicity of creative social policy, arguing modern welfare states were on their way to liberating and enhancing human creativity during the post-war period. Hence, the obvious question is what creative social policy could be about in present times. It is not possible to simply implement the same policies of redistribution and full employment of the Keynesian era because societies have changed and evolved a great deal in the decades following the 1990s.

As noted above, Chapters 8 and 9 present the argument that contemporary creative social policy needs to focus on transforming the current evolved func-
tions of work and capital. Chapter 8 reviews current forms of commodification and demonstrates how the institution of wage work commodifies work in ever more holistic ways, involving the life of feeling, thinking and acting. In other words, creative agency has become a factor of production in the capitalist economic system. The function of work is to exploit human creative potential; therefore, creative social policy must be about transforming the function of work. In line with Chapter 4, work could be transformed from an arena of exploitation and alienation into an arena of creative agency.

Chapters 8 and 9 also review the function of capital. Currently (prior to the increasing securitization of economy, society and politics), one of the key drivers of change is (and was) the financialization of the economy and society (Mazzucato, 2019; see also Adkins, 2018). In Chapter 9, financialization is considered in terms of a logic of speculation, which is inherent to finance but which also constitutes a governing rationale affecting work, labour markets, politics and people’s everyday lives (Adkins, 2018). In finance, speculation is about the generation of surplus value through the ownership of assets. However, along with the securitization of debt, a completely new array of financial risk management techniques has emerged, subjecting people’s capacity to service debt to the speculative logic of the financial markets (Adkins, 2018). Articulating this logic of speculation, Lisa Adkins argues that the creative potential (Adkins does not use this term) of entire populations is tied to the generation of surplus value via financial assets. As a consequence of financialization, indebtedness has increased and asset ownership is becoming increasingly important in relation to people’s opportunities to participate in the economy and society (see also Konings, 2018).

After considering the issue of financialization, Chapter 9 proposes a different understanding of the functions of capital and work – inspired by associative economics. From the perspective of creative agency (and associative economics), capital is about realizing creative potential in the form of entrepreneurial ideas. Work is the arena of human self-expression, and risk, from this perspective, is not simply the risk of losing money but the risk of not being able to realize (or actualize) creative potential. The management of this type of risk should be the primary concern of creative social policy and Chapter 9 proposes two schemes in particular as examples of how to do it in practice: Universal Basic Income (UBI), which transforms the current function of work, and Universal Seed Money (USM), which transforms the current function of capital.

UBI is a topic much discussed in the field of social policy. A simple idea of granting every citizen the means of minimum subsistence, it can be traced back to the thinking of Thomas More (1478–1535). More recent advocates include Philippe van Parijs and Claus Offe (Offe, 2008; van Parijs and Vanderborght, 2017, see also Torry, 2018, 2020). UBI could potentially contribute to a trans-
formation of the function of work, as it would not distinguish between the deserving and undeserving poor in the way current workfare policy does. It is more compatible with the notion of the creative human being outlined in Chapter 4, and it could represent an effort by the state to emancipate the creative potential of entire populations (the possibility of collective emancipation is indicated in Chapter 5). Furthermore, UBI would not categorize people into various groups, such as pensioners, people living with disabilities, those who are sick or parents, in the way current social security schemes do. Therefore, it could potentially liberate creative potentials at the collective level of society. As entering paid work would be more of a free choice, UBI could transform the function of work into an arena of creative agency (or at least facilitate a move towards this).

Chapter 9 argues, however, that UBI needs to be complemented by USM in order to create the dynamics needed for collective emancipation through cooperative work. Inspired by associative economics, USM would transform the function of capital from extracting value out of labour in order to accumulate private wealth into the realization of business ideas. USM seeks to provide universally available seed money for people and groups of people wishing to start up a new business. The idea is that whenever people can demonstrate a potentially successful business idea, interest-free credit without collateral is available. A condition for this credit would be that the owners of the business do not distribute profits to shareholders but use the profits to pay back the credit and expand production. Businesses funded by USM would not need to distinguish between employers and employees and they could work cooperatively, focusing on needs-based production in the way outlined by associative economics.

In the context of creative social policy, USM could be established at the national level by the state in the form of a fund granting credit to businesses under the conditions specified in Chapter 9. This would be part of the conscious effort to manage financial risks in a new way and to pursue creative social policy. Together, UBI and USM could establish an alternative flow of money in the economy, where human creativity could be channelled into purposeful and sustainable economic production oriented towards the fulfilling of human need.

In sum, this book is about presenting an alternative concept of social policy, an alternative that is arguably needed if we wish to strengthen the emancipatory aspects of social policy. The book seeks to anchor the alternative conception of creative social policy in history and social and economic theory, and to present viable practical applications for governments wishing to move in this direction. It should be noted that any practical applications of the concept of creative social policy should be preceded by open and democratic debate (see also Chapter 3). From an academic point of view, drawing on and contributing
to discussions in academic social policy, sociology and political economy, the aim of this book is to show that creative social policy could remove existing class boundaries and help individuals, societies and cultures to develop and prosper in more balanced ways.

NOTES

1. Or to put it another way: every human being has a capacity to actualize what is virtual. For a discussion on virtuality, actuality and individuation, see Chapter 3.
2. In practice, of course, there were different competing notions, but nonetheless, policy-makers implicitly agreed that it is meaningful to conceive of society as a whole (see also Kettunen and Petersen, 2011).
3. Immanuel Kant urged modern human beings to sapere aude – to think for themselves, or to judge critically.
4. The European Credit Initiative (ECI) seeks to accomplish something similar. It proposes an amendment in the statutes of the European Central Bank (ECB) allowing for a new form of credit to free enterprises pursuing the public good (ECI, 2023).