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Conditional Generosity and Deservingness in Public Support for European Unemployment Risk Sharing*

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Abstract

Previous research into public support for welfare solidarity often refers to the importance of ‘reciprocity’, which means that generous social benefits are supported if they are matched by credible commitments to contribute by those who can. The current article adds to this body of literature by providing novel empirical evidence on the roles of generosity and conditionality in support for European unemployment insurance programmes. Drawing on a conjoint survey experiment in 13 European countries, we show that Europeans may be motivated by an ethos of reciprocity, since policy proposals that are both generous and conditional are the most popular among the general population. However, conditional generosity seems to have much more traction among those who consider the unemployed as undeserving, suggesting that EU-level policies may succeed in overcoming the diffidence of welfare sceptics if reciprocity is ensured in the architecture of the policy design.

Keywords: conditionality; public opinion; deservingness; European solidarity; European unemployment insurance; conjoint experiment

Introduction

Since the Eurozone crisis, proposals for European unemployment risk sharing (EURS) have become the subject of intense debate in academic and political circles (Andor, 2016; European Commission, 2017). EURS would allow support for national unemployment systems when European countries are in need due to a significant increase in unemployment. Therefore, EURS schemes can function as an automatic stabilizer for economic shocks in the Eurozone and simultaneously instantiate European solidarity. While political agreement is yet to be reached on any such scheme, it is paramount to understand public preferences concerning alternative designs, and what determines such preferences.

In the current article, we investigate how generosity and conditionality jointly shape support for European unemployment insurance proposals. The balance between the generosity and conditionality of welfare benefits is highly debated in European welfare states. On the one hand, social rights have become an important element of citizenship, defining the social contract between citizens and the state (Marshall, 1950). On the other hand, an activation turn in labour market policies is taking place, with social obligations increasingly being imposed on benefit recipients (Knotz, 2018; Watts and Fitzpatrick, 2018). Activation measures, such as job search obligations and sanctions in the case of non-

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compliance, aim to counter the risk of moral hazard among the unemployed, who are often portrayed as lazy and undeserving of welfare support (Jensen and Petersen, 2017).

The demand for credible commitments by welfare beneficiaries – making the deservingness of the unemployed more conditional – has become a key aspect of institutionalized solidarity across Europe and this debate has now returned in a different guise at the EU level. As a balancing act between social rights and social obligations, policy proposals for EURS schemes can provide alternative levels of benefit generosity and conditionality.¹ We hypothesize that Europeans' policy preferences are guided by an ethos of reciprocity. Reciprocity, so conceived, means that people are 'ready to do their bit', if other people – when they are capable – are also ready to do *their* bit.² Accordingly, a mutual ('reciprocal') readiness to contribute triggers Europeans to favour EURS programmes that are both generous and conditional. However, borrowing insights from deservingness theory (van Oorschot, 2000), we argue that individual preferences concerning benefit generosity and conditionality in EURS programmes may crucially depend on citizens' judgements about the welfare deservingness of the unemployed. By deservingness, we mean the extent to which unemployed people are perceived as being in need of support, as well as not having control over their unemployment situation. While generous EURS policies reflect positive considerations of the unemployed as a group that is deserving of welfare support, conditional policies reflect reservations with regard to their deservingness.

There is extensive scholarly work on public attitudes towards social rights and obligations of the unemployed on the one hand (Buss *et al.*, 2017; Fossati, 2018; Laenen and Meuleman, 2018; Carriero and Filandri, 2019), and on the other, a growing body of research into support for EU-level social policy (Ciornei and Recchi, 2017; Baute *et al.*, 2019; Nicoli *et al.*, 2020). Because these research areas have developed along separate lines, it remains unclear how the general public makes sense of welfare generosity and conditionality, and norms of reciprocal fairness in the context of EU-level welfare policies. More recently, research has started to investigate public preferences concerning alternative designs of unemployment policies, both at the national (Gallego and Marx, 2017) and the European level (Vandenbroucke *et al.*, 2018; Kuhn *et al.*, 2020; Nicoli *et al.*, 2020). However, these contributions do not specifically focus on conditionality, but study how support for policy designs is influenced by broader political attitudes and identification patterns.

In our view, there are strong reasons for exploring attitudes towards EU-level welfare provision as potentially differing from attitudes towards national welfare systems. Welfare provision is often seen as chiefly applying to the members of a group (usually the national community), but not equally to outsiders (van der Waal *et al.*, 2010). Because the EU naturally touches on the boundaries of the national welfare state, it is plausible that patterns of welfare solidarity take a different shape when EU-level welfare provision is at stake.

¹We acknowledge that conditionality has a broader policy meaning that goes beyond effort in looking for employment. However, since the EURS survey focuses on this type of individual-level conditionality, in the remainder of this article we use 'conditionality' as a short cut for requirements with regard to job search effort, unless specified otherwise.

²This article uses the expression 'reciprocity' for an ethos based on the mutual (reciprocal) readiness to contribute. This should not be confused with its more narrow usage in deservingness theory. In van Oorschot's (2000) notion of deservingness, 'reciprocity' means that an individual is perceived as having contributed sufficiently to the social security system. For example, an unemployed older worker is presumed to have contributed sufficiently, which contributes to the perception of that worker's 'deservingness'. Our use of the notion of 'reciprocity' is more in tune with normative theories of social justice (for example Bowles, 2012).

The EU is a multilevel and multinational polity with very wide political autonomy granted to its constituent parts. Issues such as moral hazard and conditionality have characterized the debate around the Eurocrisis to an extent that transcends national boundaries, and these issues may potentially be predominant when it comes to EU-level welfare provision. We therefore consider it essential to study the applicability of an ethos of reciprocity at the EU level.

To remedy the gap in literature, the current article addresses the following research questions: (1) How do welfare generosity and conditionality jointly affect support for EURS? (2) To what extent is individual responsiveness to generosity and conditionality dependent on citizens' deservingness perceptions about the unemployed? This study moves beyond the causal effects of individual dimensions to look at the effects of specific policy packages with an ethos of reciprocity – that is, the congruence between the generosity of solidarity and credible commitments – on public support for a proposed supranational instrument for welfare support. By doing so, we provide the first investigation, to our knowledge, of whether and to what extent European solidarity is characterized by an ethos of reciprocity. We test our hypotheses by means of a conjoint survey experiment in 13 EU member states. Our results show that Europeans' willingness to share risks and resources across the EU increases if policies are both more generous and are conditional on job search efforts. However, deservingness considerations play an important role in individual responsiveness to these policy design features. Those who perceive the unemployed as undeserving on the criteria of need and control, prefer less generous, yet more conditional EURS programmes. These findings complement and expand existing literature on national welfare provision, showing that the basic deservingness question of 'who should get what and why' is also predominant when it comes to support for European solidarity. It remains to be seen whether this is more of an issue at the European than at the national level, which is a matter that goes beyond the capabilities of this study and should be addressed in future research.

I. Generosity, Conditionality and Public Support for EURS

European unemployment risk-sharing proposals can be differentiated on the basis of different policy dimensions, each featuring several possible design alternatives. In this study, we focus on two policy dimensions: minimum requirements regarding the levels of generosity, and conditionality applied to unemployment benefits. These are key features of contemporary unemployment benefit schemes, and have been discussed extensively in the context of proposals for European-level initiatives (Beblavý *et al.*, 2017). In fact, we expect both features to be important for European citizens, since they have a visible and tangible impact on the functioning of any unemployment insurance scheme. Hence, we expect the level of generosity and conditionality to have an impact on the extent to which EURS programmes are supported by European citizens.

First, we consider benefit generosity. Through subsidizing national unemployment systems, the EURS policy sets a common European floor for the generosity of unemployment benefits in participating countries. This minimum floor is a percentage of the last wage, covering the first six months of unemployment. Since EURS does not replace existing benefit schemes by an EU system, participating countries can still provide more-generous unemployment benefits at their own expense. Nevertheless, through

guaranteeing a minimum replacement rate in national unemployment benefit systems, the EU takes responsibility for securing a basic modicum of welfare for the unemployed. The higher the common minimum floor, the more the scheme would force an upwards convergence in unemployment benefit levels and the more effective it would be at reducing poverty. Since previous research shows that Europeans are widely supportive of generous welfare state arrangements (Gallego and Marx, 2017; Roosma and van Oorschot, 2017), our general expectation is that citizens will prefer EURS programmes with higher replacement rates over alternatives offering lower replacement rates. Either citizens already enjoy generous social protection and would seek to maintain their strong social rights, or they are less protected by national welfare provision and consider EURS as an opportunity to complement the provision with a European layer. Given that the EURS programme should support countries facing a significant increase in unemployment, fear for austerity-driven benefit retrenchment may be an additional reason for Europeans to prefer more-generous EU policies to support their national unemployment systems in times of crisis. Hence, we hypothesize that:

H1: Higher generosity generates stronger support for EURS packages.

Second, we look at benefit conditionality. Social security systems have been criticized for a one-sided focus on social rights, which are believed to reduce individuals' motivation to look for work. In response to this criticism, various types of activation policies have been implemented. These policies share the underlying idea that citizens are no longer primarily subjects with social rights, but are subjects with both social rights and obligations: there must be a credible, reciprocal commitment. For the unemployed, this means that they must comply with behavioural conditions, such as job search requirements, registering for training courses or even performing voluntary work, and can be sanctioned with benefit cuts if they fail to do so (Knotz, 2018; Watts and Fitzpatrick, 2018).

In line with this activation turn in labour market policies, EURS programmes can set minimum requirements with regard to the activation of unemployed people in the participating countries. Research into public attitudes towards activation policies shows widespread support for imposing work-related obligations on recipients of unemployment benefits (Buss *et al.*, 2017; Carriero and Filandri, 2019). Such conditionality may be particularly popular in the context of EU policies, because it allows uniform job search efforts for the unemployed to be established across all participating countries, regardless of existing national policies. Common EU standards for activation of the unemployed – in terms of job search efforts – may counter moral hazard at the individual level for benefit recipients. Hence, citizens may see stricter conditions for unemployment benefits as a promising way to increase the motivation of the jobless to seek work and to escape their dependence on welfare (Buss *et al.*, 2017). In this regard, previous research indicates that concerns about benefit abuse by welfare recipients make people less inclined to support EU-level social policies (Baute *et al.*, 2019). This shows that people are less in favour of granting social rights to EU citizens if they believe that many receive unemployment benefits although they could find work if they wanted. The implication is that concerns about moral hazard are important when the circle of solidarity expands beyond the national community. Such concerns about moral hazard can be overcome through uniform

activation demands imposed on the unemployed beneficiaries of EURS programmes. We therefore hypothesize that:

H2: Stricter individual conditionality generates stronger support for EURS packages.

Since EURS schemes require multidimensional policy choices, it is plausible that citizens are sensitive to the balance between welfare generosity and conditionality when expressing their support for EURS. Moreover, we expect generosity and conditionality to act as balancing elements of reciprocity. This means that the generosity of EURS schemes would determine the preferred level of conditionality attached to receiving unemployment benefits and vice versa. More-generous unemployment benefits alleviate the material needs of the unemployed, allow for a longer job search and enhance the transition from unemployment into more-secure work (Otto and Lukac, 2021). When welfare support to the unemployed is more generous and thus more costly, people may prefer the receipt of unemployment benefits to be conditional on stricter requirements for the unemployed to make efforts at re-integration. Activation measures that force the jobless to reciprocate – by actively looking for work and accepting job offers – can be seen as an effective way to (re-)balance their social rights and obligations. To capture how sensitive people are to the congruence between welfare generosity and welfare conditionality, it would be ideal to measure citizens' evaluations of alternative policy packages with different combinations of generosity and conditionality. However, the design of previous studies does not allow us to test such sensitivity in the support for a given policy (Jeene and van Oorschot, 2015; Roosma and Jeene, 2017; Laenen and Meuleman, 2018). Among these earlier studies, combining responses on separate survey items about generosity and conditionality, the one by Jeene and van Oorschot (2015) suggests that most Dutch prefer 'conditional generosity', which is the combination of generous social rights for the unemployed and tight conditions attached to them. Other studies establish a relationship between welfare generosity and conditionality from a macro perspective (Buss *et al.*, 2017; Carriero and Filandri, 2019; Naumann *et al.*, 2020). For example, Buss *et al.* (2017) show that in countries where unemployment benefits are more generous, people are more in favour of stricter obligations combined with harsher sanctions if benefit recipients fail to comply with them. Taking these arguments and findings into account, we can expect that at the level of individual support for targeted welfare programmes such as EURS, people prefer stricter conditionality when unemployment benefits are more generous. Hence, we hypothesize that:

H3: The higher the level of generosity in EURS packages, the stronger the positive effect of stricter conditionality on support for EURS packages.

II. Deservingness Perceptions and European Solidarity

Whereas we hypothesize that generosity and conditionality will increase support for EURS, this effect may not be uniform across society. We argue that the way in which people respond to generosity and conditionality depends on their deservingness perceptions about the unemployed. Deservingness theory suggests that the more people consider a

target group as deserving, the more they support policies benefiting that particular group. Accordingly, people's preference for welfare generosity – and by extension, also their view on conditionality – is a function of how favourably the target group of these programmes is evaluated on a series of deservingness criteria. Van Oorschot (2000) developed a framework of five such deservingness criteria, termed the 'CARIN criteria'. In short, people are perceived as being more deserving of generous welfare support if they have little personal control over their predicament and thus cannot be blamed for it (Control), show gratefulness for the received support (Attitude), have made adequate contributions to society (Reciprocity), are considered as more similar to 'us' or as belonging to the in-group (Identity) and have great financial needs (Need). If solidarity is indeed conditional on the perceived deservingness of the target group, then citizens' preferred level of generosity and conditionality in EURS programmes will depend on how deserving they evaluate the beneficiaries of EURS programmes – unemployed Europeans – to be. In this article, we focus on two deservingness criteria that citizens most often apply in evaluating the deservingness of the unemployed: need and control (Heuer and Zimmermann, 2020).⁴

With regard to the *need* criterion, previous research suggests that the unemployed score relatively high, since Europeans believe that the unemployed have a low standard of living compared with other target groups, such as pensioners (van Oorschot and Meuleman, 2012; Vlandas, 2016). Perceptions of need matter for solidarity: the more inadequate the standard of living of the unemployed is perceived to be, the more people believe that governments should take responsibility to alleviate their needs (van Oorschot and Meuleman, 2014). We extend this logic by arguing that people prefer more generous benefits and become more lenient with regard to conditionality towards the unemployed when the latter are perceived as being in greater need. However, previous research shows that public perceptions of the unemployed as a group with high needs do not necessarily result in strong welfare support for this group (van Oorschot and Meuleman, 2012). This indicates that deservingness attribution to the unemployed results from multiple criteria. Alternative deservingness criteria, on which the unemployed are likely to be evaluated more negatively, seem to counteract their high level of deservingness based on the need principle.

The unemployed are generally evaluated poorly on the deservingness criterion of *control*. Previous studies point to a negative public image of the unemployed as lazy people who are unwilling to look for work and are thus responsible for their needy situation (Furåker and Blomsterberg, 2003; Roosma *et al.*, 2015). Research that focuses on solidarity in a national context shows that perceptions of people being in control over neediness decrease support for welfare generosity, whereas such perceptions increase support for welfare conditionality (Laenen and Meuleman, 2018). In a similar vein, it has been found that people who see the jobless as unwilling to try to find work are less in favour of government having the responsibility to provide for the unemployed (van Oorschot and Meuleman, 2014). A vignette experiment also shows that perceptions about the deservingness of the unemployed affect support for welfare generosity (Reeskens and van der Meer, 2019). By manipulating the profiles of the unemployed, the study by Reeskens and van der Meer indicates that people are willing to grant more generous unemployment benefits when there is an external cause of unemployment (for example company reorganization) and when the unemployed are actively looking for work. In line with

this research, we explore a narrow aspect of the control criterion that focuses on the behaviour of the unemployed. We argue that imposing a job search requirement on the unemployed can be seen as testing the control criterion of deservingness, in that if seeking a job is mandatory, the unemployed will be seen as lacking control (and therefore as deserving) when they are entitled to unemployment benefits. We expect that this job search requirement would increase support for EURS, particularly among citizens who perceive the unemployed as being in control of their situation.

In sum, we expect that deservingness perceptions about the unemployed determine citizens' sensitivity to both the generosity and conditionality of EURS packages. If citizens perceive the unemployed as undeserving – either in terms of their need or their control over their employment situation – generous packages will to a lesser extent increase their support for EURS. Likewise, the more citizens perceive the unemployed as undeserving – again, either in terms of need or control – the more likely it is that stricter conditionality in the design of EURS will increase support. In other words, we postulate a nexus of interactions between the multidimensional perceptions of deservingness and the multidimensional design of policy packages:

H4: The less the unemployed are perceived as in need (H4a) and the more they are perceived as being in control of their employment situation (H4b), the weaker the effect of generosity on support for EURS packages.

H5: The less the unemployed are perceived as in need (H5a) and the more they are perceived as being in control of their employment situation (H5b), the stronger the effect of conditionality on support for EURS packages.

Whereas this article draws on deservingness theory in explaining individual preferences for welfare generosity and conditionality, we acknowledge the complementarity of general ideological approaches – as distinct from deservingness opinions about specific target groups – and economic self-interest theory (Rehm, 2016; Kuhn *et al.*, 2020; Naumann *et al.*, 2020). To take these alternative rationales into account, we included ideological left–right orientation and self-interest indicators in the analysis. While at this level of analysis we conceive reciprocity as being different from self-interest, we acknowledge that, ultimately, reciprocity itself can be driven by underlying self-interest motives.

III. Methodology

Data

To test the hypotheses, we draw on a conjoint experiment on EURS.³ This experiment is a suitable instrument, as it includes different degrees of generosity and conditionality: two key issues that define the ethos of reciprocity. These two policy features are introduced experimentally, therefore offering a unique opportunity to causally explore their effects and the trade-offs that people make. The data was collected by IPSOS in October and

³Our hypotheses with regard to the main effects of the dimensions were pre-registered on 21 October 2018 at Harvard Dataverse (doi:10.7910/DVN/2USGRG).

November 2018, by means of online panels in 13 EU member states: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, the Netherlands, Poland and Spain. A sample of 1,500 respondents was drawn in each of the countries, using strict quotas for age, gender, education and regional distribution.⁴ Respondents with more than one set of inconsistent answer patterns in the experiment and those who failed an attention check were excluded from the sample. This yielded a sample size of 93,612 observations from 15,602 respondents (Appendix Table A).

The conjoint analysis is introduced by framing the purpose of ensuring sustainable unemployment benefits in EU countries that are facing a crisis (Appendix Table B). Inherent to conjoint analysis, respondents are asked to make a choice between different profiles (Hainmueller *et al.*, 2014), which in our case represent different policy packages. Each policy package differs with regard to the generosity of the guaranteed minimum floor and the conditions applied to the job search effort for the unemployed. In addition to the generosity and conditionality, the packages also differ with regard to cross-country redistribution, country-level conditionality, tax burden and administration level. We included these additional dimensions as controls in the analyses. Table C in the Appendix provides a list of all the dimensions and their potential values. Each respondent was asked to evaluate three pairs of packages, randomly drawn from the total set of 324 alternative policy packages. For each presented package, the combination of attributes on the dimensions and the ordering of the dimensions on the screen were completely randomized.⁵

Variables

The conjoint experiment includes two questions to measure *support for EURS*. First, a binary *choice variable*, in which respondents reported a preference for one of the two packages that were presented. Second, the experiment includes a *rating variable*, for which respondents were asked to rate each of the six packages on a 5-point scale (from ‘strongly against’ to ‘strongly in favour’). We opted to test our hypotheses with the binary choice variable and we present all models using the rating variable in the Appendix Table F.1–2: they support the thrust of our analysis, except for H3.⁶

The *generosity* of the unemployment benefit is expressed as a percentage of the last wage of the unemployed (that is, the replacement rate), covering the first six months of unemployment. It varies over three levels: 40, 60 and 70 per cent of the last wage. The logic of alternating between these levels is that it allows us to test the difference between a low and a high level, and then between two different high levels while maintaining a realistic maximum level of benefit, since the 70 per cent replacement rate is close to the Dutch and French replacement levels. It should be noted that in the introductory framing, it was mentioned that countries can provide higher benefits if they wish to, at their own expense. Hence, the generosity indicates a minimum level of unemployment benefit insured by the supranational scheme.

⁴Deviations in the demographic compositions from the population remain within 4 percentage points, except for the low-educated in Hungary.

⁵One exception is that the country-level conditionality and cross-border redistribution were randomized as a single unit to avoid respondents having to jump back and forth between country-level and individual-level features.

⁶A model with controls for package pairing and ordering is provided in Appendix Table G. The results remain unchanged.

With regard to *conditionality*, three options were presented: (1) no conditions, (2) the unemployed should accept any suitable job offer or lose the benefit, and (3) the unemployed must apply for at least one job per week and accept any suitable job offer or lose the benefit. By distinguishing these levels, we model two different (and incremental) types of conditions, which are both realistic and are present (to different degrees and extents) in national policies: conditions about job search efforts and conditions pertaining to the acceptance of job offers. While these conditions fall short of exhaustively representing the wide range of activation policy options available in Europe, they communicate easily grasped fundamental conditions that are immediately recognizable as requirements imposed on the unemployed.

The perceived *deservingness* of the unemployed is defined around the criteria of need and control. Our measurements build on deservingness theory (van Oorschot, 2000), positing that a person is more deserving when they have a greater level of need and less control over or responsibility for their neediness. We translated these criteria into specific items on the perceived need and control of the unemployed. Perceptions of *need* are measured by a question about how the respondents estimated the standard of living of the unemployed. Responses range from extremely bad (0) to extremely good (10). High scores are indicative of a lower level of perceived need. Perceptions of *control* are assessed by respondents' agreement with the statement 'Most unemployed people do not try to find a job'. Responses range from strongly agree (1) to strongly disagree (5) and were recoded so that high scores indicate beliefs that the unemployed are themselves to blame for – and thus in control of – their own neediness. This operationalization of the control criterion is not as clear cut as we would ideally have preferred, as it is conflated with the attitude criterion of deservingness. However, for the purposes of this study, perceptions about the unemployed as being unwilling to look for work are a suitable fit for our hypotheses.

We control for social and demographic characteristics, among which are age and gender (0 = male; 1 = female). Education level is included using three categories: (1) lower-secondary or below, (2) upper-secondary and post-secondary non-tertiary, and (3) tertiary education. Income is measured by the equivalized household income using the modified OECD equivalence scale, and we categorized the equivalized income into country-specific deciles. Employment status is included by a dummy variable indicating those respondents who were unemployed (1 = unemployed). Left–right ideology is measured by a composite indicator incorporating government responsibility for the unemployed, income redistribution and business regulation (Cronbach's $\alpha = 0.55$). Lastly, country dummies are included to take country-level variability into account. The descriptive statistics are provided in Appendix Table D.

Modelling Strategy

Simple ordinary least squares (OLS) linear regressions models were estimated to test our hypotheses, in line with the approach developed by Hainmueller *et al.* (2014). First, Average Marginal Component Effects (AMCEs) were estimated by regressing the binary choice variable on dummy variables for the levels of the attributes (Model 1). The AMCEs represent the average difference in the probability of a package being chosen when comparing two different attribute values (for example, a package with '70 per cent replacement rate' versus a package with '40 per cent replacement rate') where the average

is computed on the basis of all possible combinations of the other EURS attributes. Second, the two dimensions generosity and conditionality were interacted (Model 2), providing the Average Component Interaction Effects (ACIEs). These represent the average difference in AMCEs of variants of conditionality between packages with alternative levels of generosity. Third, we tested whether the effects of generosity and conditionality are moderated by deservingness perceptions, by interacting the dimensions of generosity and conditionality with respondents' perceptions about the need and control of the unemployed. It should be noted that in contrast to the effects of the policy design, the interactions including the deservingness perceptions (H4–5) do not allow for strict causal interpretations, since these rely on observational survey data. To take into account the role of self-interest and of ideology, we simultaneously added interactions between the dimensions and respondents' socio-economic status and left–right ideology to our models. The deservingness items 'income' and 'ideology' were standardized to range from 0 to 1 to simplify interpretation in interactions and to allow comparison of effect sizes. All the models use clustered standard errors to correct for the non-independence of outcomes from the same respondent.

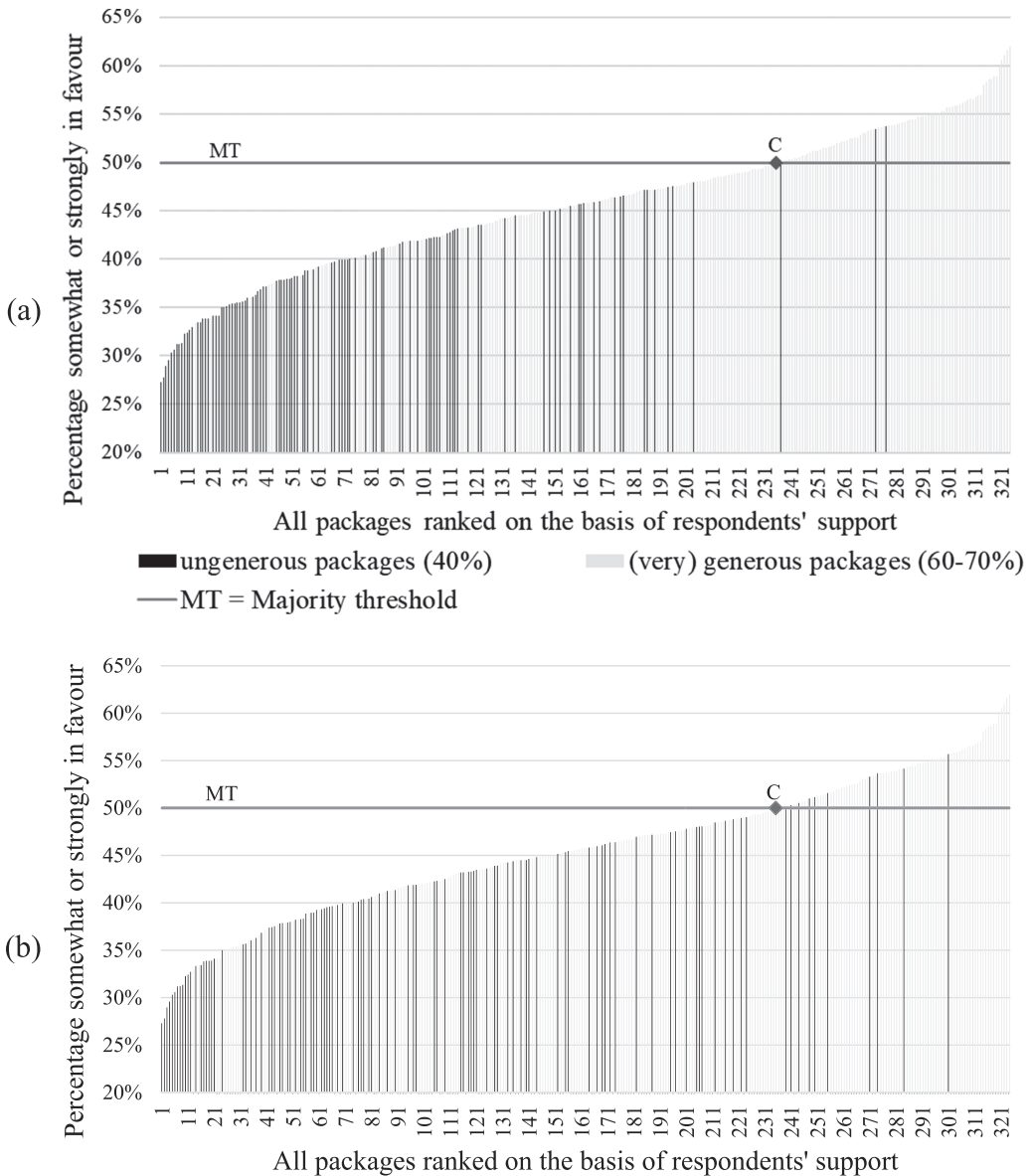
IV. Results

Generosity, Conditionality and the Ethos of Reciprocity

We start by examining whether and how generosity and conditionality shape support for EURS packages. Figure 1 ranks all 324 policy packages by the level of support they were given by the respondents. The scale on the vertical axis presents the proportion of respondents in favour of a package. Values above 50 per cent indicate majority support in an imaginary vote, in which people who declared themselves as 'indifferent' would be counted as 'against'. In Figure 1a, packages characterized by the lowest level of generosity (a guaranteed replacement rate of the unemployment benefits of only 40 per cent of the last wage) are shown in black, and packages with a higher level of generosity are shown in grey. It seems almost impossible to attain more than 50 per cent support for ungenerous packages, regardless of their other features (with a few exceptions, they are all to the left of point C). Figure 1b presents EURS packages with some job search effort conditionality imposed on the unemployed, in grey lines, other design characteristics notwithstanding. Packages without any search effort conditionality are shown in black lines. The packages with job search effort conditions dominate to the right of point C: to obtain majority support for EURS, job search conditions imposed on the unemployed are an almost indispensable policy feature, on top of the fact that such packages must provide more than the lowest level of generosity. This finding suggests that the combination of generous and conditional policies – establishing 'conditional generosity' – lies at the kernel of public support for European solidarity. However, whereas the results in Figure 1 illustrate the importance of generosity and conditionality in support for EURS, they do not yet inform us about the causal effects of the three levels of generosity and conditionality that we distinguish.

Model 1 in Table 1 shows that the packages including the most generous unemployment benefit in terms of the percentage of the last wage (the packages giving 70 per cent) are, *ceteris paribus*, 15.3 percentage points more likely to be chosen, whereas packages with a 60 per cent replacement rate increase the choice probability by 11.8 percentage

Figure 1: Support for EURS by the (a) generosity and by (b) conditionality of the policy package.
Note: Packages on the left side of point C receive less than 50 per cent support.



points, compared with packages including replacement rates of 40 per cent. This finding confirms H1: greater generosity makes a package significantly more favoured.

Second, Model 1 shows that packages where the unemployed must accept any suitable job offer or will lose their benefit are 10.2 percentage points more likely to be chosen. The packages with the strictest conditionality are 9.6 percentage points more likely to be chosen compared with packages without activation conditions. These results partly confirm

Table 1: OLS Linear Regression Explaining Support for EURS

		<i>Model 1</i>	<i>Model 2</i>
Generosity	60%	0.118*** (0.005)	0.100*** (0.008)
(base level: 40%)			
	70%	0.153*** (0.005)	0.130*** (0.008)
Conditionality	Accept any job	0.102*** (0.005)	0.083*** (0.008)
(base level: no conditions)			
	Accept any job and apply	0.096*** (0.006)	0.074*** (0.008)
Conditionality × Generosity	Accept any job × 60%		0.027* (0.011)
	Accept any job × 70%		0.029** (0.011)
	Accept any job and apply × 60%		0.026* (0.011)
	Accept any job and apply × 70%		0.040*** (0.011)
Intercept		0.303*** (0.007)	0.316*** (0.008)
R^2		0.0397	0.0400
N		67,104	67,104

*** : $p < 0.001$. ** : $p < 0.01$. * : $p < 0.05$. Note: Models include individual-level controls, country dummies and controls for four alternative policy dimensions. The estimate of 70% is statistically different from 60% ($t = 6.75$, $p < 0.001$), whereas the estimate of accept job and apply is not statistically different from accept job ($t = -1.20$, $p = 0.229$). Standard errors in parentheses.

H2: conditional EURS packages are more strongly supported than the non-conditional packages. However, among the conditional packages, we find no evidence that the strictest is the most popular. The obligation of applying for work at least once per week might be perceived as too strict, or as ineffective in helping the unemployed to re-enter the labour market.

If there is a consistent ethos of reciprocity among the public, it could be expected that conditionality is even more important when solidarity is more generous. Model 2 shows that the AMCE of the requirement that the unemployed must apply for at least one job per week and accept any suitable job offer on the choice probability increases by 2.6 percentage points when the replacement rate in the package increases from 40 to 60 per cent ($p < 0.05$).⁷ Similarly, the effect this requirement on the choice probability increases by 4 percentage points when the replacement rate increases from 40 to 70 per cent ($p < 0.001$). To illustrate the size of this interaction, the marginal effects are plotted in Appendix Figure A. These findings are in line with our expectation, as citizens are more likely to support generous supranational unemployment benefits when strict conditions are attached to receiving the benefit (H3). In general, this suggests that people are sensitive to norms of reciprocal fairness in the provision of welfare. The more generous the social rights for unemployed benefit recipients, the higher the expectation that the unemployed should make a credible commitment to escape their welfare dependency. Nevertheless, the interaction adds very little explained variance ($\Delta R^2 = 0.0003$) and the effect does not hold when using the rating variable (Appendix Table F.1 and Figure B).⁸

⁷The inclusion of interaction terms changes the interpretation of the effects of conditionality and generosity in Model 2. The effects of conditionality are the conditional effects when the generosity is 40 per cent. The effects of generosity are the conditional effects when no conditions are imposed.

⁸In conjoint analysis, the results of the choice and rating variables do not always align (Hainmueller *et al.*, 2014). In this case, a consistent ethos of reciprocity is activated when respondents are forced to choose between packages, whereas it is less salient when expressing their opinion on a scale.

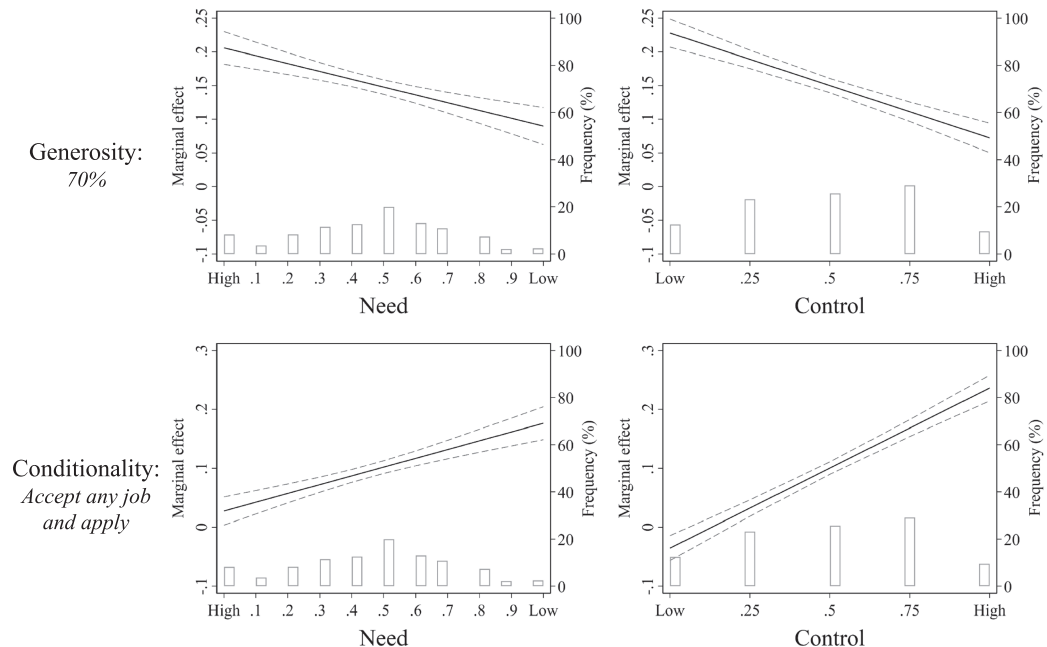
The 'Undeserving Unemployed'

Next, we investigate whether the effects of generosity and conditionality on support for EURS depend on citizens' deservingness perceptions of the unemployed. Because interaction models (Appendix Table E) are difficult to interpret, Figure 2 presents the results in an alternative graphical way: it illustrates the magnitude of the effects of increasing generosity and conditionality at different values of need and control. The frequency distributions of the deservingness perceptions in our sample are presented at the bottom of each graph (see Appendix Figures C and D for country-specific distributions).

First, our analysis confirms that deservingness opinions mediate the effect of *generosity* on support for EURS packages. With regard to *need* perceptions, the results show that among those who consider the unemployed as very needy – that is, they score 0 on the *need* scale – a 70 per cent replacement rate package (versus 40 per cent) increases the likelihood that it is chosen by 21 percentage points, whereas it does so by only 9 percentage points among people who believe that the living conditions of the unemployed are very good (thus considering them as undeserving on the need criterion). However, for 60 per cent replacement rates, we do not find a significant difference between people with different need perceptions.

Similar results are found with regard to *control* perceptions. Among those who consider the unemployed as highly deserving on the control criterion (thus scoring 0 on *control*), a package with a replacement rate of 70 per cent is 23 percentage points more likely to be chosen than a package with only a 40 per cent replacement rate. Among respondents

Figure 2: Marginal effects of generosity and conditionality at different values of deservingness perceptions (need and control) and frequency distributions.



considering the unemployed as very undeserving based on their control, the 70 per cent package is only 7 percentage points more likely to be chosen than the 40 per cent package. In sum, both H4a and H4b are therefore confirmed.

Second, our analysis confirms that the causal impact of *conditionality* on support for EURS also depends on peoples' deservingness perceptions. The bottom row of Figure 2 presents the marginal effects of conditionality at different values of deservingness perceptions.

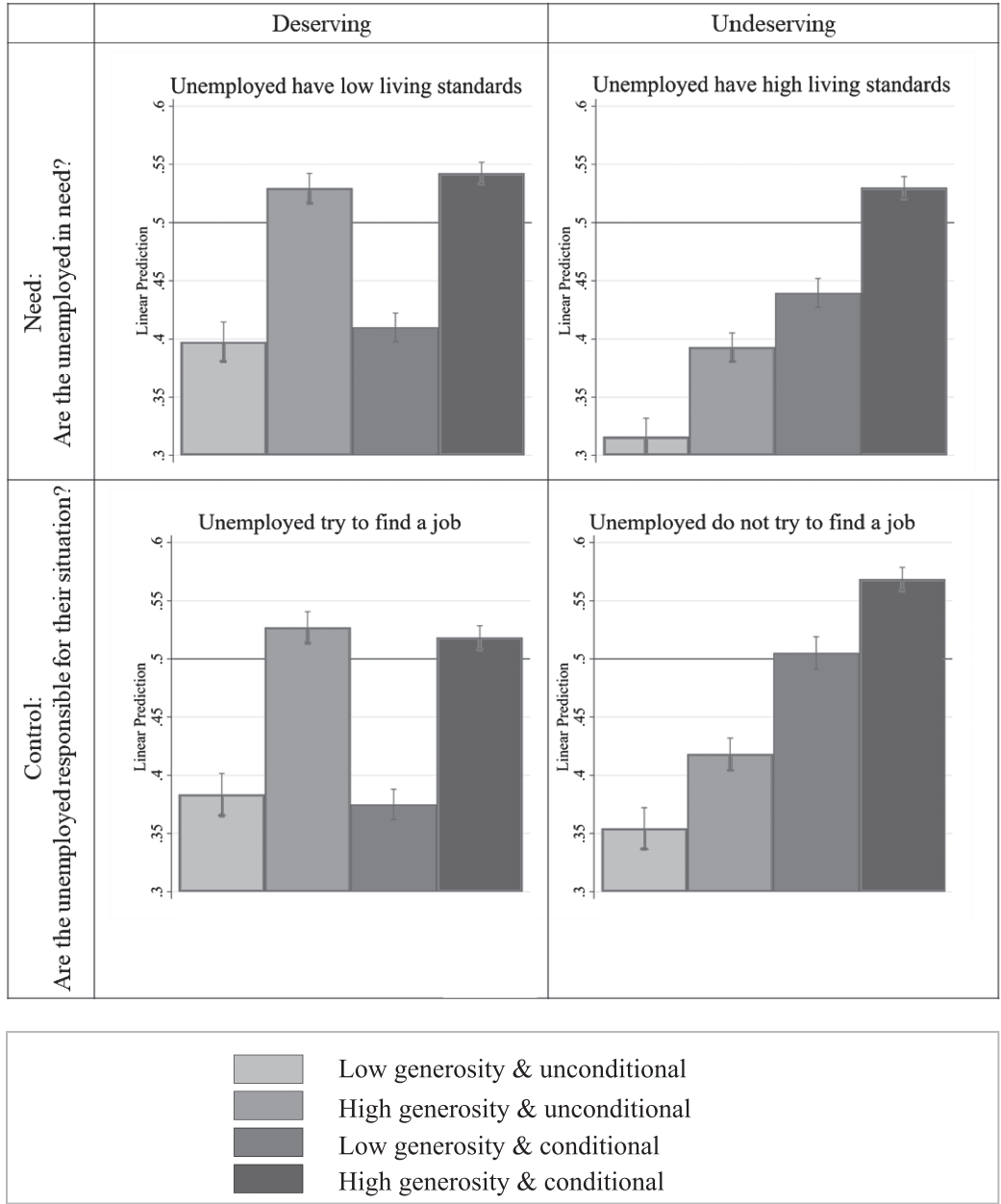
With regard to *need* perceptions, we observe that among respondents who believe that the neediness of the unemployed is high, a package including the strictest conditionality increases the probability that this package is chosen by only 3 percentage points. By contrast, among those who consider the unemployed as underserving based on their need, such conditions increase by 17 percentage points the likelihood that a EURS programme is supported. This vindicates our expectation that the impact of stricter conditionality on support for EURS is stronger if respondents consider the unemployed as undeserving on the basis of their need (H5a).

Furthermore, the results confirm that the effect of conditionality on support for EURS is moderated by perceptions of *control* (H5b). Here, Figure 2 indicates that among people who believe that the unemployed have no control over their situation, strict obligations about applying for and accepting jobs decrease the likelihood that a EURS package is chosen. This is indicated by the negative marginal effect for this subgroup of respondents (-0.04). It should be noted that this effect is applicable to only 12 per cent of the respondents (Figure 2), suggesting that only a small minority of Europeans dislike conditional packages as a result of specific deservingness perceptions about the unemployed. By contrast, strict individual conditions increase the probability that a package is chosen by 24 percentage points among people who fully believe that the unemployed are not making any effort to find work. Similarly, this group comprises only 10 per cent of the respondents. For the majority, strict conditions increase the likelihood that a package is chosen by 3 to 17 percentage points. Our research shows how 'majority' support for specific packages is the joint result of two decisive factors. Both the dominant deservingness perceptions in the population and the effect of these perceptions on support for specific packages are at play.

Furthermore, we explore whether citizens' preferred balance between generosity and conditionality is dependent on deservingness perceptions about the unemployed. Figure 3 models the level of support for EURS schemes with different combinations of generosity and conditionality in four subsamples; respondents who perceive the unemployed as having high need (score 0–4 on item), low need (score 6–10 on item), high control (score 4–5 on item) and low control (score 1–2 on item). Two distinct patterns can be observed. Respondents who perceive the unemployed as deserving (for either reason) give relatively more weight to generosity compared with conditionality in EURS schemes, as support for generous packages that are unconditional is equally high as it is for generous packages that are conditional. By contrast, for those who judge the unemployed as undeserving (for either reason) conditionality is more decisive than generosity, as generous packages are more supported when they are conditional. We explore cross-national differences in support for alternative EURS schemes in the Appendix (Figures F and G).

Lastly, our analyses indicate that deservingness perceptions do not tell the whole story, since a person's socio-economic status and left–right ideology also determine their

Figure 3: Predicted support for EURS packages with alternative combinations of benefit generosity and conditionality by deservingness attitudes. *Note:* bars represent 95% confidence intervals.



sensitivity to the generosity and conditionality of EURS (Appendix Table E, Figure H). Obligations imposed on the unemployed increase the likelihood that a package is chosen more strongly among higher-income groups. The results are very similar when using subjective income, education and employment status as alternative indicators for

socio-economic status (Appendix Table H.1–3). Furthermore, generosity increases the likelihood that a package is chosen much more strongly among left-wing people, whereas conditionality more strongly increases the choice probability among right-wing people.

Conclusion

Whereas previous studies into public support for social policy often refer to the importance of welfare conditionality and deservingness, it has been unclear how citizens make sense of these concepts in the context of EU-level welfare policies. A conjoint survey experiment in 13 EU member states provides novel empirical evidence concerning the relationship between welfare generosity, conditionality and notions of deservingness in support for EURS. Two major observations result from our analyses.

First, we assessed the causal impact of benefit generosity and conditionality. Our analyses reveal that citizens are sensitive to these design features; both of them increase citizens' willingness to share risks across the EU. To some extent, their impact is contingent on one another, in that people are more willing to support more-generous EURS schemes when the unemployed reciprocate by making greater job search efforts and accepting job offers. Although the interaction effect size is small, it indicates that citizens are sensitive to the balance between the generosity of policies and credible commitments to contribute to the resource base of such generosity. The policy implications are important and extend possibly beyond the context of EURS: generous mutual assistance between European countries is possible if, through 'conditional generosity', the design of a policy appeals to an ethos of reciprocity.

Second, we examined whether sensitivity to the generosity and conditionality of EURS schemes depend on individuals' perceptions of the deservingness of the unemployed. Of particular interest with regard to the ethos of reciprocity is that people favour stricter activation measures and are more reluctant to provide generous support if they suspect the unemployed do not look for work. Our findings show an interesting nexus of interactions: *both* the perception of the need and the control of the unemployed determine the impact of *both* the generosity and the conditionality of the policy design on the level of public support. 'Deservingness' is thus not only a multidimensional notion at the level of perceptions, but also has multidimensional implications for policy preferences. Our results generally support the deservingness theory and indicate that perceptions of the target group's deservingness not only shape opinions about who should get what and why in the context of national welfare programmes, but also in the context of EU-level policies.

In sum, Europeans are motivated by an ethos of reciprocity, in the sense that packages that are both generous and conditional are the most popular in the general population. However, conditional generosity is more crucial among those who consider the unemployed as undeserving. Although respondents have diverging perceptions of the deservingness of the unemployed, this does not preclude the constitution of majority support for specific proposals to share unemployment risks at the EU-level. Extreme views on the (un)deservingness of the unemployed constitute minorities that do not carry sufficient weight to determine the dominant pattern of public support. A sufficiently large segment of the population can be motivated by an appeal to reciprocity: generous support conditioned by activation efforts. This shows that political actors have considerable leverage to shape multilevel solidarity policies so that they can gather majority support.

It should be noted that our research design has limitations that call for further in-depth research. First, some aspects that typically feature in actual policy proposals for EU-level unemployment risk sharing are underdeveloped in the experiment. More-detailed modelling of activation conditions would be useful in order to explore whether individuals react differently to diverse types of activation policies. Our conditionality dimension varies both incrementally (no conditions, one condition or two conditions) and qualitatively (no conditions, job acceptance requirements and intensity of job search efforts). Since we did not include a condition in which job search efforts are included without job acceptance requirements, the design is incomplete. We were therefore unable to determine whether changes between one and two conditions are due to a change in incremental or in qualitative characteristics. A fundamental lesson for designing conjoint experiments is thus to maintain different characteristics in different dimensions, or to include the full spectrum of combinations. Second, even though our findings confirm that deservingness perceptions shape support for supranational welfare schemes, we were unable to quantify whether this is a stronger or weaker effect compared with national schemes. To further improve our understanding of the role that deservingness perceptions play in citizens' willingness to share risks and resources across Europe, future research could also examine potential discrepancies between the perceived deservingness of the unemployed in a respondent's own country and the unemployed in other EU member states. Attitudes towards the unemployed in other European countries may differ from those towards national unemployed and may affect support for EURS programmes. Our operationalization of the need criterion measures perceptions about the unemployed within the respondents' country, while the control criterion measures perceptions about the unemployed *per se*, without any spatial reference. An interesting extension of our study would be to investigate perceptions about the deservingness of the unemployed in other European countries, since stereotypes about diverging work ethics in North and South Europe have been portrayed in the media in the context of EU recovery funds. Lastly, our results simultaneously nuance the role of deservingness theory, since it is not the only 'game in town'. The analyses indicate that people endorse specific EURS programmes not solely because of deservingness considerations — socio-economic status and general ideological orientation also play a significant role. Future research could provide more rigorous testing of economic self-interest theory, for example by investigating whether the ethos of reciprocity takes on a different guise among Europeans with different unemployment risk profiles. While our analysis helps by differentiating between reciprocity and direct forms of self-interest, we cannot exclude the possibility that reciprocity itself might be driven by insurance-like, forward-looking behaviour, which in turn could – on a deeper level – also be anchored in forms of self-interest. Future experimental designs should better identify individual costs across a defined time horizon to parse these effects.

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Supporting Information

Additional supporting information may be found online in the Supporting Information section at the end of the article.

Data S1. Supporting Information.