

ABSTRACT: This paper aims to assess public preferences and WTP for policies addressing social inclusion. As a result of surveying 1250 residents in the Canary Islands (Spain) it has been found that society is highly sensitive to price, since people always choose to pay the cheapest option in support of social inclusion. In addition, the interviewees show a greater preference for basic income as a form of policy with a WTP of about 60 euros, while the WTP for other programmes related to awareness are less than 39 euros/year. The study allows to formulate a package of recommendations to increase the effectiveness of current policies aiming to promote a more inclusive and resilient society.

KEYWORDS: Social exclusion, policy, development, social economy, solidarity, poverty.

Expanded abstract

Public preferences and willingness to pay for social inclusion programmes: The Spanish case

Poverty and social exclusion are characterised as deprivation and lack of opportunities to lead each person's life worth living. Nevertheless, social exclusion is not only a concern of public policies but also of society. Individuals have practical tools to fight against social exclusion since they make their choices regarding those public and social programs they want to support (Littlewood & Herkommer, 2017; Martín, Formichella, & Costabel, 2020).

In the Canary Islands (Spain) over the last five years, the evolution of the most relevant economic indicators leaves no doubt about the dramatic unemployment scenario and the increase of the social contingent in a situation of poverty and social exclusion. Long-term unemployment is considered the primary vehicle through which more and more people slide towards situations of poverty and exclusion. This situation will undoubtedly be worsened by the global health emergency caused by COVID 19, which will exponentially affect social inequality in Spain. The complete inactivity of tourism in the Canary Islands region, a sector representing about 30% of the economic structure and more than 40% of the jobs in the archipelago, are among the leading causes of the sharp deterioration in the employment figures (Palomino et al., 2021).

At the same time, the Canary Islands have a wide range of organizations and actors working for social inclusion, and in general, to establish a new framework of economic relations based on solidarity values. This diversity of initiatives and actors positions the archipelago as an ideal scenario for analysing and experimentation the social preferences for public policies (González Hernández et al., 2013).

This paper aims to assess the preferences of society and willingness to pay (WTP) for several programs addressing social inclusion. Four main programs were analysed, and several improvements for each program were proposed as policy alternatives. The four programs were:

- i) to provide a basic income to vulnerable groups,
- ii) to provide support and funds to occupational insertion companies or solidarity organizations,
- iii) to implement a responsible public purchasing program, and
- iv) to increase sensibilization programs targeting the society to promote a more responsible consumption that supports social inclusion initiatives.

The application was based in the Canary Islands (Spain), where 1250 residents were interviewed using a structured questionnaire. Individuals were posed with hypothetical scenarios in which various combinations of policy interventions were in place at a given price. Policy combinations were randomly formed by running the statistical program Ngene with fifteen policy alternatives levels of the four main social inclusion programs mentioned above.

Each individual answered to four choice cards, with each card being a combination of two policy scenarios versus a third option which is the current situation. Each hypothetical scenario of policy alternatives was assigned with a price, which represented an annual fee that all citizens would have to pay in case of implementing such measures. The "status quo" scenario had a price of 0€, representing the current situation concerning ongoing subsidy programs and support to social exclusion groups and companies that employ vulnerable groups. Other aspects related to the socio-demographic characteristics of respondents, their level of knowledge about social inclusion programs and sensitiveness with the problem were also included in the questionnaire.

As a result, it has been found that individuals are susceptible to price since respondents always chose to pay the cheapest program in support of social inclusion. Interviewees show a greater preference for basic income as a form of policy. In other words, subjects are willing to pay higher amounts for those programs that pay directly to people at risk of poverty or exclusion (PROGRAM 1 = € 60.30) than for policies that promote the consumption of goods and services provided by solidarity organizations, which are dedicated to hiring people in this type of situation (PROGRAM 4 = € 38.00). At the socio-demographic level, data indicate that single men are more likely to pay more for social inclusion. Likewise, as expected, having a job or an own economic activity also increases the probability of choosing the combination of policies with the highest price.

Results suggest that the Canary Islands must make an even greater effort to make society more sensitive about poverty and social exclusion programs, on the one hand, and to make more informed decisions based on efficiency enhancement criteria when choosing a social inclusion program on the other hand. This requires reorienting policies towards a decrease of subsidies and stimulating demand and social awareness.

In the context of economies with a strong specialization in tourism, such as the Canary Islands, recommendations can be extended to tourists by promoting the consumption of local products and services that generate a positive, mutually beneficial link between tourism

companies and solidarity economy entities, which is desirable from the point of view of the sustainability of both.

This study faces various limitations that substantially reduce the potential generalization of results and the scope of its conclusions to the Spanish case study. First, it is based on a single Autonomous Community, "The Canary Islands". Second, further evidence with much larger samples is required to prove the robustness of the model definitively. Third, this research has focused on the current situation of the archipelago concerning social inclusion programs and a proposal of viable scenarios, from redistributing public funds to new inclusion policies. However, the extrapolation of results for other policy contexts requires further knowledge of the other sub-national contexts, and future studies should consider including a larger sample of citizens and Spanish regions. Finally, there might also be a need to include the importance-performance evaluation of citizens in the studied programs. Nevertheless, this study can be seen as a methodological guide of potential application to the Spanish case.