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Why Unconditionality Matters

Contribution to GTI Forum [Universal Basic Income: Has the Time Come?](#)

Michael W. Howard

Although I am a supporter of a universal basic income, I agree with many of the points made by critics. I do not think that a UBI alone can satisfy basic human needs. None of the proposals on the table will be enough for our needs for health care, education, and social participation. Most advocates for UBI do not see it as a silver bullet, but rather as a complement to other benefits delivered in kind.

I also worry about commodifying the satisfiers of human needs, shrinking basic services, eroding the minimum wage, and increasing unsustainable consumption and carbon emissions.

A UBI would only commodify satisfiers of human needs if, in libertarian fashion, it is introduced as a replacement for universal health insurance, public education, etc. The neoliberals do not need UBI to chip away at these programs; they have been doing it for several decades now. Of course, the introduction of unconditional cash payments could be used as a Trojan horse to shrink public services further. But that will only happen if there is no political will to resist it. If there is enough political will to introduce a progressive version of basic income, then there should be enough political will to resist the erosion of public services. If such political will is absent, there may be no more hope for more robust universal basic services than there is for a UBI. What we need here is an assessment, in the context of a particular country, of which progressive reforms are more likely to gain traction. That is not my specialty, but I will suggest that in the US, at this moment of health and financial crisis, universal cash payments can meet immediate needs and have a greater likelihood of getting passed into law in a hurry than a suite of universal services—with perhaps the notable exception of universal health insurance.

Public benefits, whether in kind or in cash, tend to be more robust when they are universal. Compare Social Security and Medicare, which are nearly universal, with TANF benefits (Temporary Assistance for Needy Families) and the minimum wage, which are targeted to the poor. There is something to be said for making in-kind programs more universal. By the same token, basic income, because of its universality, should be less vulnerable than existing targeted cash transfer programs.

What tends to get lost in the debate over universal basic income versus universal basic services is the question of whether cash transfers should be conditional or unconditional. As far as I can tell, none of the advocates of universal basic services think that we should replace all cash transfers with in-kind benefits. For those of us who agree that there should be robust public benefits in kind, the question remaining is whether cash transfers should be conditional on searching for work or other behavioral requirements. Unless these critics really think it is desirable to coerce people into poorly paid, unskilled, and often dangerous or otherwise undesirable employment, they should support an unconditional minimum income at some level.

It is true that work can serve important goals of socialization, self-respect, and contribution to the collective welfare, but it makes a difference whether the productive activities one is doing are meaningful work or drudgery. For those whose cash benefits are conditional on doing the least-skilled, most dangerous work, in a meat-packing plant or a nursing home, it may be a better signal of society's respect for the worker that they be entitled to some financial means to resist coercion into such work.

The earned income tax credit (EITC) is often praised for lifting many low-paid workers out of poverty. The cash is conditional on being employed, and so it functions as a wage subsidy. In the bargaining between workers and employers, it stacks the deck on the side of the employer. If the EITC were converted into a refundable tax credit, not conditional on employment, it would shift the bargaining power to the worker. A refundable EITC is essentially a negative income tax (NIT), which is like a basic income, except that it phases out as other income rises, rather than going to everyone. Assuming that there will always be need for benefits in the form of cash, the crucial question then is whether they should be conditional or unconditional. Critics should say why they would prefer the conditionalities, when unconditionality is more advantageous for the workers. Some fear that

employers will take advantage of a UBI by lowering wages. But that outcome can be prevented by preserving minimum wage laws.

This brings us to the issue of cost. It is sometimes thought that a NIT is much cheaper than UBI. If one looks only at the public budget, that appears to be the case, since the NIT goes only to those who meet a means test, while the UBI goes to everyone. But in a well-designed tax system complementing the cash transfers, the benefit will be clawed back from higher-income earners in higher taxes. The net transfer from net contributors to net beneficiaries will be the same, and in that sense a UBI is not more expensive to the taxpayers than a NIT.¹

Finally, there is a legitimate concern that in transferring cash from the wealthy to the poor, there could be an increase in carbon emissions, because the poor spend a higher proportion of their income than the rich. The proper conclusion to draw from this is not to deny cash to the poor. Rather, income security needs to be combined with sound ecological policies. For example, increasing prices on carbon fuels will discourage their use. Using the revenue as a dividend or as part of a basic income will offset the regressivity of a consumption tax, while maintaining the disincentives for use of carbon fuel. More cash in local communities will not by itself lead to more sustainable economies, but if complemented by efforts to promote local agriculture, mutual aid, housing cooperatives, and other ecological policies, the cash can be channeled in sustainable directions.²

For a carbon tax to be an effective means toward a speedy transition, it has to rise higher and more rapidly than any existing carbon taxes. Without a transparent policy to address the inequity, such taxes risk either stalling, or provoking “yellow vest” style protests that can delay or even reverse, carbon pricing.

Endnotes

1. Karl Widerquist, “The Cost of Basic Income: Back-of-the-Envelope Calculations,” *Basic Income Studies* (2017), <https://works.bepress.com/widerquist/75/>.

2. Michael Howard, Jorge Pinto, and Ulrich Schachtschneider, “Ecological Effects of Basic Income,” in *The Palgrave International Handbook of Basic Income*, ed. Malcolm Torry (New York: Palgrave Macmillan, 2019).

About the Author



Michael W. Howard is a Professor of Philosophy at the University of Maine. He has authored, edited, or co-edited four books: *Self-Management and the Crisis of Socialism*, *Socialism, Alaska's Permanent Fund Dividend* (with Karl Widerquist), and *Exporting the Alaska Model* (with Karl Widerquist). He is the national coordinator for the US Basic Income Guarantee Network, and co-editor of *Basic Income Studies*. He holds a PhD from Boston University.

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