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A Case of Wishful Thinking

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

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It is astonishing to see the same arguments, based exclusively on thin air, always coming back in discussions on a universal basic Income (UBI). No, the cost of a UBI is not too high (where are the numbers?). It will give people freedom (Three different types of freedom!). We will tax the rich (When? How?). Basic income will even lead to the end of rentier capitalism (How?). We now even hear that COVID-19 has “brought into sharp relief the irretrievable breakdown of the post-war income distribution system” (Really? How? Where? When?).

In this contribution, I want to highlight three points: cost, the link between work and income, and the importance of public goods.

But let me start by underscoring two points on which progressive advocates and opponents of UBI fully agree. Yes, work has to be redefined: this is an old social demand of the workers’ movement and more particularly of feminists, so that the now all too often unpaid care work can be integrated into economic thinking. And yes, income security is crucial: it is a source of mental and material well-being and should be a priority for all policymakers. There is not one single argument to state that these two demands can only be met with a universal basic income. On the contrary, a comprehensive universal social protection system, or social commons, can do the job much better.

The Cost of a Universal Basic Income

I want to start with the question of cost because it is of utmost importance and determines the non-sustainability of all UBI proposals. Attentive readers will understand that the World Bank, the International Monetary Fund (IMF), and the International Labour Organisation (ILO)—and even

the major advocates of basic income such as Philippe Van Parijs and Rutger Bregman—cannot be accused of only making “back-of-the-envelope” calculations. Yet, they all conclude that a UBI at the level of at least the poverty line, i.e., an income allowing for a decent living, is far too expensive and would require far too high of taxes.

A basic income that is not universal is called a guaranteed minimum income, a social demand that has been on the agenda for several years now and is supported, in the European Union, by the European Anti Poverty Network.¹ Yes, the means-tested and stigmatizing social assistance mechanisms should disappear and make room for individualized minimum incomes for those who cannot be on the labor market. This is perfectly doable for a small extra budget in most countries.

“Taxing the rich,” “taxing back,” and “eco-taxes” are all very positive ideas, but they are not yet in place and, even if they were, would likely not be enough. These demands must be encouraged, and once we achieve them, we will see how much basic income we can pay from it or how it can be used for better health care.

Incomes and Labor

Standing’s [statement](#) that we have to re-examine the whole question of jobs, employment, labor, care work, etc., is correct. This is particularly important at a time when precarious work is indeed growing, where young people do not want to step into a 9 to 5 job anymore, and where many jobs might get lost due to the digitalization of our economy. But we need to take two crucial considerations into account.

First, there is indeed socially necessary work, well beyond the care for neighbors and family. The production of food, shelter, clothes, energy, transport, health care, etc., are the most obvious examples, and it is not only morally unacceptable but also socially unsustainable if some people can withdraw from these tasks and leave them all to others.

Moreover, this socially necessary labor must be paid for. There is no reason why some would be paid for the production of, say, bread while others are not paid for caring for elderly people. The old division in productive and reproductive work cannot be maintained, and decommodifying work does not mean demonetizing work.² Welfare states typically have integrated health care and a whole range of public services. While much of the care work is still in the hands of women—

though not exclusively—it is wage labor, difficult to separate from men’s and women’s productive labor. The reproductive work can be fully commodified in the private sector or non-commodified but paid in the non-profit sector.

Contrary to liberal economic thinking stating that non-market activities have to be considered as “costs” to be paid out of the results of productive work, one can also state that non-profit activities such as education and health care are the results of productive work. They create value in themselves, not validated by the market but by society itself. They are paid for by taxes and social contributions.³ Decommodifying care and public services does not mean that people should not be paid anymore.

Basic income advocates pretend to appreciate all care work but are in fact degrading it by refusing to pay for it. They hide their debasing of women’s work behind a reasoning on financing the UBI. Standing states that public spending can be reduced when paid jobs become unpaid care work. It is a nice formula for saying that women should not get wages anymore.

No Speenhamland

Second, if all citizens receive a UBI, employers will be the first net winners, as wages and social contributions will go down.⁴ Advocates of UBI claim the bargaining power of workers will increase because unattractive job offers may be refused. But they forget that in our globalized world, a whole reserve army of migrants and refugees—without UBI—is waiting to take the jobs at any wage.

Furthermore, with a UBI, citizens will not need a full-time job with a full wage anymore. The door would be wide open for all kinds of mini-jobs at low wages and with bad working conditions. UBI can become a kind of wage subsidy, comparable to the Speenhamland experiment in the eighteenth century, described most notably by Karl Polanyi, which delayed the emergence of a strong labor market with unions and collective power.

Finally, employers, who make a living—and acquire wealth—from the work of others have a moral duty to pay wages that allow for the decent living conditions of their workers. Welfares states with a collective responsibility of employers, workers, and public authorities are the basis of social

citizenship and the basis of workers' counter-power.⁵ This is a major achievement of welfare states that should not get lost.

The Welfare State and the Commons

The push for a basic income also reflects an implicit resignation to the economic status quo.

Yes, precariousness is growing, but should we accept that young working people have no labor contract, no health care, no pension provisions? Our welfare states are the result of a decades-long social struggle: rights never fall out of the sky; they are the result of strong demands and shifting power relations. Dropping these demands can only make the situation much worse, since, with a UBI, people will depend on the goodwill of a government that, in crisis times, can easily lower their budgets for basic income.

Standing speaks of the "compensation for loss of the commons." Again, why compensation and not a social struggle to get these commons back? There have been worldwide protests and marches these past years of people claiming back their commons, from forests to water, clean air to public services. We should support such struggles and not treat the loss of commons as an irreversible given.

Moreover, when citizens get money they can spend as they wish, there is no reason for public authorities to provide health care, education, or other public services. In fact, what happened in many low-income countries is that when these services were privatized, they became too expensive for poor people to use, so governments decided to give poor people a small cash allowance so they had access to these services. In other word, these cash benefits were a kind of indirect subsidy to the corporations offering the health care, the schools, the buses, etc.

Conclusion

If the introduction of a UBI would really have all the advantages mentioned by their advocates, how come it has never ever been introduced in any country? All we see are partial pilots for groups of unemployed or poor people, guaranteed income schemes or negative income tax systems. All trials have been abandoned. The UBI does not exist anywhere.

There are good reasons for this, apart from cost. The first is the false and impossible promise of unconditionality. All societies are based on reciprocity, this is what makes and shapes our societies. Breaking this rule is destroying societies, and it would be irresponsible to contribute to such a development. The second reason is linked to this. Our welfare states, however imperfect they are, are based on solidarity of all with all. They are based on horizontal and structural solidarity confirming and strengthening our interdependence. Universal basic income is based on a vertical solidarity from the state to the citizen, and another citizen and another citizen. In this is revealed its fundamentally individualistic ideology.

Progressive opponents and advocates of UBI do agree on the need for redefining work and for guaranteeing income security. The best way to do this, I think, is not a UBI but a reformed, modernized welfare state. My organization goes for social commons, based on participation and democratization, because however you look at it, our economic and social rights, our social protection is ours and it should remain ours. We want to build another world instead of just surviving in this one. At heart this is a very political question. If some call this “old-style laborist social-democratic,” so be it.

Endnotes

1. Anne Van Lancker and Fintan Farrell, *Guaranteed Minimum Income: Nobody Deserves Less, Everybody Benefits* (Brussels: European Anti Poverty Network, 2018).
2. Francine Mestrum, “Les communs, la reproduction et le revenu de base,” in Christian Saval, Pierre Sauvêtre, and Ferhat Taylan, eds., *L'alternative du Commun* (Paris: Hermann, 2019).
3. Jean-Marie Harribey, “Repenser le travail, la valeur et les revenus,” in Mateo Alaluf and Daniel Zamora, eds., *Contre l'Allocation universelle* (Québec, Lux Editeurs, 2016).
4. IMF Fiscal Monitor, *Tackling Inequality* (Washington, DC: International Monetary Fund, 2017), ix.
5. T.H. Marshall, *Class, Citizenship and Social Development* (New York: Doubleday and Company, Inc, 1964); Robert Castel, *Les métamorphoses de la question sociale. Une chronique du salariat* (Paris: Fayard, 1995).

About the Author



Francine Mestrum is chairwoman of Global Social Justice, an association for transformative universal social protection and the common good. Her research concerns the social dimension of globalization, poverty, inequality, social protection, public services, and gender, with a special focus on the social commons. She is an active member of the International Council of the World Social Forum and of the International Organizing Committee of the Asia Europe People's Forum. Her latest book is *The Social Commons: Rethinking Social Justice in Post-Neoliberal Societies*.

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