# Universal Basic Income: Has the Time Come?

## GTI Forum
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Should society provide every citizen with a basic income, no strings attached? Some proponents of a "universal basic income" view it as a tool for system correction, but the focus of this GTI Forum is on system change. Two panels debate the question: Should a UBI be a central element of strategies for transformation?

The first panel makes the affirmative case, arguing that UBI resonates strongly with egalitarian ethics and basic concepts of justice. The second voices concerns that it encourages individualism and distracts from better alternatives, and urges the UBI debate to encompass issues of global justice and ecology at the level of Earthland.

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# The Case for a Basic Income

Guy Standing

The COVID-19 pandemic has brought into sharp relief the irretrievable breakdown of the post-war income distribution system in the West that essentially ties income and benefits to employment. The past four decades have seen income, wealth, and power flowing increasingly to rentiers—owners of physical, financial, and so-called intellectual property—while the ranks of the global precariat swell, consigning workers to unstable jobs, low and erratic incomes, and insecure lives. But the pandemic may prove the undoing of that system, as paying people to stay home—indeed, to *not* do paid work—has become essential to survival.

As long as income depends on jobs, workers will feel a need to return to unsafe conditions. And as long as economic power remains concentrated at the top, companies will have every incentive to make workers come back. Even if we manage to weather the current pandemic, our system lacks the resilience to be ready for the next one—let alone other crises.

The glimmer of hope amidst the tragedy is that the economic recession triggered by the pandemic is a potentially transformative crisis. Many on the left were puzzled by the reversion to the neoliberal status quo following the 2007/2008 financial crash. However, a hegemonic paradigm will only be displaced if it cannot answer the questions that preoccupy people and if an alternative paradigm is ready. For too long, that second condition has been missing.

Fortunately, an alternative economic vision has been emerging, and a basic income system is an essential component of it. A basic income is not a panacea, merely a necessary pillar of the reimagining of work and economic security in our crisis-ridden world. As resolutely against old-style "laborist" social democracy as against neoliberal capitalism, it will foster greater freedom while helping us tackle the worsening crises of inequality, climate change, and authoritarian populism.

## A Right to Economic Security

Basic income is a centuries-old idea with roots in ideas of social justice. As Thomas Paine, an early advocate, said in his 1795 pamphlet *Agrarian Justice*, "It is not charity, but a right, not bounty but justice that I am pleading for."

A basic income system would aim to assure basic economic security to all, independent of employment, by providing every legal resident of a country with an equal monthly sum of money, without conditions, as an economic right.[1] Such *unconditionality* is what distinguishes a basic income from other welfare programs. A modest basic income would be paid to individuals as individuals, regardless of household arrangements, work status, or prior contributions. Importantly, it would be guaranteed to all regardless of other income, thus bypassing the stigmatizing and exclusionary means-testing intrinsic to many welfare programs.

Although some conservative basic income advocates view it as a substitute for existing public programs, they are a distinct minority. Most advocates see it as a complement to robust universal public services like education, health care, and other social supports. There would, moreover, need to be automatic supplements for the disabled and elderly coping with extra living costs and constraints on earnings.

A basic income is also a recognition of our collective social and ecological inheritance, the true source of wealth. Indeed, the wealth and income of all of us are due far more to the efforts and achievements of past generations than to what we do ourselves. But we do not know whose ancestors contributed more to our wealth. If society allows for private inheritance of private wealth, then we should allow for social inheritance in the form of a social dividend or basic income.

Similarly, a basic income would be partial compensation for loss of the commons, which belong to all of us equally, but which have been appropriated by privileged elites and corporations to generate private wealth. In this context, the commons are not just land, waterways, forests, parks, and natural resources, but also the social amenities, public services, and body of ideas and knowledge we inherit as a society. We all deserve a share of the wealth these commons produce.

## A Guarantor of Freedom

The postwar job-based income distribution system involved a tradeoff between economic security and freedom. Job-based income and benefits lead to dependence on an employer. Accessing means-tested benefits from a welfare state requires going through administrative hoops. Moreover, such welfare programs are often specifically conditioned on having or looking for employment, even if that means accepting a low-paying job.

A basic income stands against such strictures. Unlike other social policies, basic income would enhance three types of freedom: *libertarian freedom*, *liberal freedom*, and *republican freedom*.

The first—*libertarian freedom*—refers to the freedom from constraints. Modern policymakers impose paternalistic controls on what "the poor" must or must not do, on pain of worse impoverishment. As a right with no conditions attached, basic income leaves people free to spend their money as they wish, prioritizing what is most important to them. A basic income would strengthen the capacity to say *no* to abusive or exploitative relationships and yes to forms of paid and unpaid work that might otherwise be out of reach. People would be able to accept more fulfilling jobs that they may have rejected due to economic considerations or to spend more time caring for their loved ones, neighbors, and community. Nobody should need reminding in these pandemic times that there is a care deficit.

It would also foster *liberal freedom*, the freedom to be moral, described by the philosopher T.H. Green as the ability to decide and do what you think is right.[2] You cannot be moral if you must do as you are told or "steered" to do by a paternalistic government or other authority. Unpaid community work is not a virtuous moral choice of activity if you are required to do it to receive welfare benefits or as a punishment. A basic income would reduce these hurdles to moral action.

Lastly, such a scheme would advance *republican freedom*, freedom from actual and potential domination by unaccountable authority. A woman, for instance, may lack such freedom if she can only do things with the approval of a husband or father, even if they usually "allow" her to do what she wishes. Basic income experiments in the US found that in some cases women who had their own basic income were able to leave abusive relationships.[3] Mahatma Gandhi captured the

essence of republican freedom by saying freedom means being able to look others in the face and not having to give in to their will.

## Moving from Crisis to Sustainable Prosperity

A basic income system is not only a tool for responding to the pandemic in the short term. It can also help us tackle longer-term crises of poverty and inequality, climate change, and the rise of authoritarian populism.

The most obvious benefit of a basic income is poverty reduction. Targeted, means-tested schemes exclude many poor people, sometimes deliberately so, and the inevitable poverty traps—when benefits are withdrawn as income rises—simply serve to keep people in poverty. Job guarantee and subsidy schemes are difficult and expensive to administer, distort the labor market, and come perilously close to workfare. Vouchers, as alternatives to cash, are paternalistic schemes that presume what people need rather than allowing them to decide for themselves (thus food stamps in the US allow mothers to buy food but not diapers).

A basic income scheme underwritten by taxation on the rich would reduce economic inequality. As an equal payment to every individual, regardless of household, income or employment status, it would also help promote gender and racial equity. This would help equalize power relations within households, relieving financial dependence on a household "head."

A basic income system would also have macroeconomic advantages. By increasing the purchasing power of low-income households, who have a higher propensity to spend than more affluent ones, it would boost spending on local goods and services, creating more jobs and further raising incomes.[4] Moreover, the security afforded by a basic income would encourage entrepreneurship, since people could take more risks knowing they had something to fall back on if their venture failed. Finally, the delinking of jobs from economic security reduces the perceived threat posed by automation. Rather than fearing the disruption or displacement of millions of jobs, we can share the wealth that mechanized productivity provides.

A basic income system could be an important part of effective plans to mitigate climate change. Carbon taxes and other eco-taxes are essential to reduce emissions but by themselves are

regressive and unpopular. The solution? Recycle the tax revenue generated as a basic income. More broadly, a basic income would encourage a transition to an ecological society by giving people the freedom to shift from resource-depleting (and often boring and demeaning) jobs to resource-preserving care, craft, and community work. Likewise, funding a basic income system with a taxation scheme that discourages resource depletion and checks luxury consumption would further reduce environmental stress.

Tackling climate change and inequality has become more difficult with the spread of an authoritarian populism that combines xenophobia, misogyny, and climate change denial. Fear and insecurity have fueled the surge in neo-fascist populism around the globe. A basic income would counter this dangerous tendency because having economic security fosters altruism, empathy, and tolerance.[5] By freeing time for community and political engagement, it could also help to weaken the appeal of all forms of populism.

## The Objections to a Basic Income

The case for a basic income is formidable and multidimensional. Yet, the proposal has generated vocal opposition, including on the left. Opponents typically focus on cost, universality, or negative side effects. But do these arguments hold up?

The cost of a basic income, critics say, is simply too high. The usual way of making this argument is to set a level of, say, 50-60% of median income, multiply this by the size of the population, and compare this total cost with current welfare spending. These back-of-the-envelope calculations are highly misleading. First, they do not account for administrative savings from removal of means-testing and behavior monitoring. Second, they assume the current pattern of taxation and spending, apart from welfare, remains unchanged, including vast sums now spent by most industrialized countries on subsidies and tax breaks for rich households and corporations. Third, they ignore the dynamic and feedback effects of a basic income: removing disincentives to take low-paid jobs and encouraging entrepreneurship would boost economic activity and tax revenues; conversely, improvements in health and well-being, and a shift from paid jobs to care work, would reduce public spending on health and social services.

During the pandemic, governments have demonstrated a willingness to spend on an extraordinary scale, so the issue is less one of affordability than of political will. However, the best way to finance a basic income in the long term would be to build a Commons Capital Fund from new and redirected sources of revenue, including revenue from eco-taxes and levies on unearned wealth and incursions into the commons. As its value grew, the fund would pay out a rising amount in basic income (or common dividends).[6]

Other critics take issue with the universality of a basic income. A basic income, such critics note, would provide "something for nothing" to the undeserving and thereby promote laziness. To the contrary, it is the poverty trap built into means-tested welfare that acts as a disincentive to take low-paid employment, requiring the threat of sanctions to force people into jobs. Real-world basic income experiments have shown that universality is not a disincentive to work.[7] Moreover, conservative critics of a basic income tend to have no problem with inherited private wealth or capital gains—"something for nothing," indeed.

But the universality critique of basic income does not just come from conservatives. Laborist social democrats argue that each person *should* contribute socially necessary labor time. However, pushing people into low-paid or unpaid jobs depresses wages. And what about all of the socially necessary labor that is *unpaid*? A basic income better enables people to perform the socially necessary work of caring for children, the elderly, or sick loved ones. The costs of screening out a tiny proportion of potential malingerers happy to live on a meager stipend would far exceed the savings.

Moreover, some skeptics argue, if our goal is to redistribute money away from the rich, why should we be cutting checks to them? The simple reason is that it is far more efficient to provide a universal basic income and tax it back from the wealthy than to "target" recipients via means tests. Such a system could easily be designed so that those with above median incomes receive no net benefit. And, in the US and UK at least, there is a strong case for increasing both income and asset taxes on the wealthy who have benefited from hefty tax cuts in recent years.

Other critics of a basic income allege negative economic side-effects, such as lower wages or inflation. While a basic income could encourage some employers to offer lower wages, the

security it affords would strengthen a worker's bargaining position. It would not rise or fall if wages changed, whereas means-tested benefits and tax credits rise as wages fall, reducing the incentive to push for higher wages. Basic income also would encourage workers to back unions and other collective bodies in bargaining for higher wages, because the greater security would make them less fearful of retribution.

Inflation, other critics argue, would negate any economic benefits as companies raise prices in response to greater aggregate demand. Such fears are unwarranted because additional demand for basic goods and services is likely to increase supply as well. To take one example, basic income pilots in India saw increases in supply of basic goods and prices fall because assured demand created economies of scale and more investment. Similarly, a basic income in poor US neighborhoods that are so-called "food deserts" would stimulate investment in local shops and supermarkets.

## Our Opportunity

The pandemic has highlighted the deficiencies of the current economic system and produced a surge of interest in basic income. Opinion polls show widespread public support. The UN Secretary General and the Pope are among leading figures who have come out in support of a basic income. A window of opportunity has opened for wise governments to advance a progressive transition from rentier capitalism to a more just, ethical, and ecological economy. Basic income can be an essential part of that transition, anchoring a new income distribution system for a vision of the good society in the twenty-first century.

## Endnotes

1. For the foreseeable future, basic income would have to be set at a national level, and, for pragmatic political reasons, recent or undocumented migrants would likely not be covered. This is not to suggest that those groups should receive no financial assistance, but that such assistance should be provided by other schemes.

2. See T. H. Green, "Lectures on the Principles of Political Obligation" [1879-80] in Paul Harris and John Morrow, editors, *T. H. Green: Lectures on the Principles of Political Obligation and Other Writings* (Cambridge, UK: Cambridge University Press, 1986), 18.

3. Karl Widerquist, "The Basic Income Guarantee Experiments of the 1970s: A Quick Summary of Results," *Basic Income News*, December 3, 2017, https://basicincome.org/news/2017/12/basic-income-guarantee-experiments-1970s-quick-summary-results/.

4. This multiplier effect has already been demonstrated by a large-scale basic income experiment in Kenya. See Dylan Matthews, "A Charity Dropped a Massive Stimulus Package on Rural Kenya – and Transformed the Economy," *Vox*, November 25, 2019, https://www.vox.com/future-perfect/2019/11/25/20973151/givedirectly-basic-income-kenya-study-stimulus; full paper at https://www.givedirectly.org/wp-content/uploads/2019/11/General-Equilibrium-Effects-of-Cash-Transfers.pdf.

5. Norman Frohlich and Joe Oppenheimer, *Choosing Justice: An Experimental Approach to Ethical Theory* (Berkeley: University of California Press, 1992).

6. There are now about sixty sovereign wealth funds, though only the Alaska Permanent Fund pays a dividend directly to residents.

7. Finland's basic income experiment found that removing the condition that the unemployed had to search for jobs made no difference to employment. In fact, recipients had slightly more days in employment than the control group. See "Results of Finland's Basic Income Experiment: Small Employment Effect, Better Perceived Economic Security and Mental Wellbeing," *KELA*, May 6, 2020, https://www.kela.fi/web/en/news-archive/-/asset_publisher/lN08GY2nlrZo/content/results-of-the-basic-income-experiment-small-employment-effects-better-perceived-economic-security-and-mental-wellbeing. The pilot in Ontario, Canada, induced a substantial increase in voluntary work. See Mohammad Ferdosi, Tom McDowell, Wayne Lewchuk, and Stephanie Ross, *Southern Ontario's Basic Income Experience* (Hamilton, ON: Hamilton Round Table for Poverty Reduction, McMaster University, and Hamilton Community Foundation, 2020), 55, https://labourstudies.mcmaster.ca/documents/southern-ontarios-basic-income-experience.pdf. Pilots in developing countries indicated increases in work as poor people were enabled to invest in income-generating activities and cope with work-related costs such as transport and childcare. See Guy Standing, *Basic Income: And How We Can Make It Happen* (London: Penguin, 2017), chapter 10 [published in the USA as *Basic Income: A Guide for the Open-Minded* (New Haven, CT: Yale University Press, 2017)].

## About the Author

Guy Standing is Professorial Research Associate at the School of Oriental and African Studies, University of London. He is a Fellow of the British Academy of Social Sciences; co-founder and now honorary co-president of Basic Income Earth Network (BIEN); and a Council member of the Progressive Economy Forum. His books include *A Precariat Charter: From Denizens to Citizens*, *The Corruption of Capitalism: Why Rentiers Thrive and Work Does Not Pay*, *Plunder of the Commons: A Manifesto for Sharing Public Wealth*, and *Battling Eight Giants: Basic Income Now*.

# Panel 1:
# The Case Is Strong

# Toward a Caring Economy

Sarath Davala

Guy Standing makes a strong case for an unconditional basic income as a response to the larger crises that our societies have already been going through in this century and that are about to reach an apocalyptic culmination now because of the pandemic. His caution that basic income is not a panacea and that we need to innovate a new model of caring for populations that are exposed to the vagaries of the emerging capitalist way of ordering our societies and economies, is welcome. A new care system based on an unconditional basic income as its foundation seems to be not just desirable but inevitable.

Let us consider two important facts. One, there is enough wealth in this world today to provide a decent life to every man, woman, and child in this world. I am not referring to philanthropy, but to genuine sharing by creating a robust institutional framework to operationalize it. Two, there is enough evidence from the projections and reviews done by global organizations such as the ILO, World Bank, World Economic Forum, etc., that current business models both in the manufacturing and service sectors are based on deploying flexible labor. Gone are the days when human beings were employed by enterprises for extended periods, and in some cases even for a lifetime. That model is now a receding distant past. The current norm is what we have come to call a gig economy. Every three people out of four are working without job contracts; when there are contracts, they are temporary in nature. The ILO's 2020 report on the global employment outlook says that a very large percentage of the global working population is underemployed, and the quality of working conditions of even those who are fully employed is very low.

Given these two glaring facts, I agree with Standing that we should stop eulogizing "laboring" as

central to human life as either an ethical or material framework for life. It would be dishonest on our part to promise people social protection based on their participation in the labor market, simply because such a thing does not exist. Therefore, care for citizens must come from their status as citizens rather than their status as *workers*.

I am an industrial sociologist from India. My agreement with Standing comes from my experience of the Indian situation. More than 93% of the Indian workforce works in the informal sector. This sector comprises both wage workers and the so-called self-employed people. They are simply two convenient official categories, and the distinction between them is superficial. It does not refer to the quality of their life. The so-called self-employed people are as poor as wage workers. They are the street vendors, home-based workers who are part of a meta supply chain, and so on.

All the employers of workers in the informal sector are hidden from the regulatory eye of the state, free from legal or moral obligation to provide a decent wage and working conditions. This is not just because the employers want escape, which of course they do. The government knows that this is the only way the economy can function. The wages are inversely proportionate to how vulnerable and desperate they are. The more desperate and vulnerable they are, the lesser wage they get.

The neoliberal capitalist ethos that is all-pervasive during this century takes this a step further by introducing the so called "labor reforms" which basically intend to "liberate" the employers even in the formal and visible sector from their obligations towards the people they employ. The whole idea is to give the much-needed flexibility to the entrepreneurs who are the new sacred in the economy and are perceived as the primary engines of growth.

This situation is not just in India, but I think is much more widespread in the world, particularly in the Global South. The morbid competition for Foreign Direct Investment is forcing countries in the South to offer more and more "liberal" regimes that essentially compromise on labor and human rights.  Even respectable economists from India currently located outside the country and occupying important positions in the multilateral institutions speak of "labor reforms" and why India needs to take that agenda further. They however do not spell out the sticky issue of labor rights.

The current global architects of economies would like to believe that the era of labor rights is now over. Is that so?

Given this problematic of the *precarious ground* on which current human beings are standing, and offering their labor in the market square for sale, how do we conceptualize their care and protection? It is one thing to disagree with Standing about what he is proposing. But, it is yet another matter that we have the moral responsibility to work on designing a framework for caring for people in the coming decades.

One of the things that Standing does not include in his paper, but that is extremely important, is that we should interrogate the current role money plays in our economy and in our lives. Should we not think of using technology that will empower communities to subvert the current role played by central banks and financial capital in our economies and societies? Using blockchain technology, is it possible for the communities to demystify fiat money and create their own local complementary currencies? After all, it is the communities that create value! There are several groups in the world today that are working on these opportunities. I do believe that technology opens up several opportunities for communities to become at least partially autonomous and reclaim what rightfully belongs to them.

A better world is certainly possible. It is not just desirable; it is necessary. We need to create a new narrative of *caring for global citizens*—every woman, man, and child. We need to think beyond the national boundaries. We should begin to feel responsible for human beings living in other continents that are no longer far away—thanks to technological advances in communication. The idea of unconditional basic income opens the conversation about this journey.

## About the Author

Sarath Davala is a sociologist who has written extensively on labor issues. He has conducted research for the Self Employed Women's Association (SEWA), one of the largest women's unions in the world, and served as research director of SEWA's Madhya Pradesh Basic Income Pilot. He is co-founder of India Network for Basic Income, Chair of Basic Income Earth Network, and co-author of *Basic Income: A Transformative Policy for India*.

# Welfare Without Stigma

Karen Foster

I will first situate myself as a basic income advocate, but not a basic income true believer. I came to support it after conducting several research studies with people actually living in poverty in Canada who were trying to work or study their way out of the poverty trap and witnessing firsthand the dehumanizing, stigmatizing rigmarole through which poor people have to go in order to access the welfare state supports many UBI critics are worried about a basic income replacing. I fully agree that our health, education, and other systems of public goods need more investment and need to be defended. But I cannot shake what I know to be true after working with and advocating alongside people who live in poverty: that even people living in a fairly generous welfare state machine need money to grease its wheels. And wherever we develop a more complex bureaucracy to dole out money, the people just trying to live have to jump through more hoops, plead their case to more bureaucrats, and prove their worth or their desperation to more committees—and their lives get harder.

What I have found through my research with people struggling to make ends meet is that they are most deeply affected by the shame and exclusion of not being able to get or retain employment in a society where, even with social assistance payments, bare survival hinges on selling one's labor in exchange for a paycheck. While the people I have surveyed and interviewed for my research—poor, rich, or in between—want to be, and find meaning in being, productive, they are also demonstrably harmed by the way our societies value human beings mainly in terms of their waged work. I have not seen any proposal, other than basic income, that simultaneously addresses poverty and challenges the wage-centric determination of human worth. I am open to alternatives.

A problem with some of the recurring critiques of basic income is that they assume that a basic income would be introduced in a social policy vacuum—that nothing else would have to be changed at the same time, and therefore all manner of unintended consequences would fall like dominoes. The potential unintended consequences—reactions from employers and investors, individual labor market behaviors, all of them theoretical—are not convincing reasons to walk away from a basic income. Admittedly, this is true of any change in the redistributive architecture. Raising the minimum wage, changing the length of the workweek, introducing publicly funded child care—all of these have unintended consequences that have to be anticipated and mitigated. If we rejected every proposal for change because it would require some additional tinkering with established institutions, we would never do anything bold.

## About the Author

Karen Foster is Associate Professor in Dalhousie University's Department of Sociology and Social Anthropology, where she holds the Canada Research Chair in Sustainable Rural Futures for Atlantic Canada and leads the Rural Futures Research Centre. An expert in social research methodology, she teaches and researches in the areas of rural sociology; work, economy, and development; and poverty and social inequality. Her current research includes studies of rural occupational succession, rural housing and disability, perceptions of climate change in Atlantic Canada, and the global footprint of Nova Scotia's local food production. She is the author of three books, including *Productivity and Prosperity: A Historical Sociology of Productivist Thought*. She holds a PhD in sociology from Carleton University.

# Embracing Universality

Tim Hollo

If we are discussing great transformations, we need to consider deeply what it is we are seeking to transform, why, and how. For me, there are three central transformations that a well-implemented UBI approach can assist: (1) moving from extractivism to enabling, (2) moving from individual to universal, and (3) moving from binary to complexity.

(1) The extractive worldview is a dead end. This applies, of course, to the worldview that the abundance of the Earth should be enclosed, extracted, and used for private profit—an approach that is sending us hurtling towards ecological collapse. But the same worldview, with the same historical antecedents, is behind laborism, which sees the only value of each human being boiled down to what they can sell their labor for. People are to be enclosed for private profit, their value extracted. The only way to do that, given our inherently self-organizing nature, is to tie the ability to survive to the willingness and ability to accept paid labor—any paid labor, no matter how oppressive.

It has been said that UBI commodifies people's needs by focusing on income rather than services. I disagree with this because, at heart, what UBI does is decommodify us. Labor is the central commodification in our economy and society, and it commodifies everything else by ensuring that the vast majority of us are kept too busy to engage in non-market activities—growing food, sharing and repairing, building social connection, taking part in collective decision-making. If we transform that relation of power, what we will do is create space for the non-market economy to flourish. If we focus on providing services while ensuring that we ourselves remain commodified, we will not deliver a true transformation, but only make people's lives marginally better within an oppressive system.

Fundamentally, if we are to transform our society away from its extractive basis, we must sever the connection between paid labor and the capacity to survive. The clearest way to do this is through some form of UBI or social dividend. Is that the only thing we must do? Clearly not. But that severing must take place as part of the transformation.

(2) One of the most powerful ways in which the current system sustains itself is through atomizing us, dividing and conquering, convincing us that we are disconnected utility maximizers. A vital part of the transformation we need is to move towards a universalist worldview, understanding our interdependence. The assumption inherent in various critiques of UBI—that it is an individualist approach which would further atomize our society—is not borne out by any evidence. Indeed, it is contradicted by all the evidence surrounding universalist approaches not just for welfare but also for health and education. Targeted support, with the necessary punitive and surveillance-based mechanisms to apply that targeting, is inherently divisive, breeding both downwards resentment and the (correct) feeling among those at the bottom that they have been rejected.

Just as well-funded universal health and education cultivate social cohesion, so, too, have trials of UBI shown that people feel (correctly) that society wants to include them, and they repay that inclusion through contribution and participation. Universalist approaches breed trust by demonstrating trust. A UBI is an ideal mechanism for creating time in people's lives, creating capacity for self-fulfillment, and creating agency by enabling people to find their own preferred way of contributing and participating. Can it do it on its own? Clearly not.

(3) We live in a complex adaptive system. A system of systems, all of which are complex and adaptive. That ecological worldview needs to be brought into the public policy sphere. It is vital, in this context, to note that next to nobody is suggesting that a UBI is a silver bullet which can, on its own, solve all these problems and drive the Great Transition. Making the statement that UBI can and should be part of the suite of transformative policies no more suggests that it is the only required policy than making the statement that we must transform our energy sector suggests that we do not also need to transform agriculture, waste, transport, race relations, gender relations, etc. UBI has been framed as a silver bullet by its opponents, and its advocates must reclaim both the complexity it implies and its role as one part of a complex, adaptive suite of policy approaches. UBI implies complexity because, unlike labor-focused welfare, it acknowledges the diversity of ways

in which people participate and contribute and enables that by putting a floor under income. UBI cultivates an ecosystem of participation and contribution radically different from the laborist monoculture currently in place. But it must also be set in the context of a greater complexity, with mechanisms for housing, health, and education, as well as policies that support, encourage, and enable participation in all sorts of ways, from democratic participation to social inclusion.

## About the Author

Tim Hollo is executive director of the Green Institute, where he focuses on eco-political philosophy, practice, and policy related to the rights of nature, universal basic income, and participatory democracy. He is Visiting Fellow at the Australian National University's School of Regulation and Global Governance. He previously served as Communications Director for Australian Greens Leader Christine Milne and has been both a board member and campaigner at Greenpeace Australia Pacific. As both an environmentalist and musician, Tim founded Green Music Australia that works to reduce the environmental impact of the music scene and use its growing leadership to drive deep social and cultural change.

# Why Unconditionality Matters

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.

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.

# A Call for Dignity and Solidarity

Azfar Khan

Among the many benefits of a universal basic income, the one that has, perhaps, been the least touted is the restoring of personal dignity, enabling freedom from control and the reawakening of a solidaristic culture. In one of his earlier papers, Guy Standing had expressed a vision that "the ideal to which societies should move towards is a set of circumstances in which more and more people can pursue their own sense of occupation, blending a variety of activities, formal and informal. To move in that direction, combating controls that characterize labor is a necessary part of the process."[1] The true political sense of UBI lies in its recognition of power relationships that oversee social and economic life. The power relationships that characterize extant working conditions exercise various degrees of control over different occupational categories and, hence, hinder the realization of necessary freedoms.

Freedom is a fundamental human right, and freedom from controls determines people's sense of security and induces a consciousness of opportunities and shapes behavioral adaptation. UBI is, perhaps, the only measure in modern times that has considered guaranteeing the material well-being of entire populations. Working people trapped in a world of controls where they are forced to sign "service contracts" (which the late David Graeber called "shit contracts") can most effectively break the chains when they have a choice between a "job" and "work" made possible by an unconditional grant from the state. And that brings dignity to work.

If UBI provides, or enhances, social solidarity—which evidence suggests it does, as confirmed in the pilot projects conducted in India, Finland, Canada, and Iran—that challenges the prevailing "modes of controls" and then indeed would be a blessing for those socially excluded and those made insecure in the pursuit of the neoliberal agenda. That is why it promotes the

idea of effective resistance to controls through a collective agency of some sort where one can count on the support of strong collective and individual "voice."

A secure life is synonymous with dignity, and the advancing of "autonomy" through UBI and the fundamental control over self and one's labor can also augur a subversive agenda, where we may begin to envisage change and not merely adapt to the dictates of globalization, labor flexibility, libertarianism, and privatization of social policy that shape our lives presently.

## Endnotes

1. Guy Standing, *Modes of Control: A Labour-Status Approach to Decent Work*, Socio-Economic Security Paper no. 4 (Geneva: International Labour Organization, 2000).

## About the Author

Azfar Khan was with the International Labour Organization (ILO) for more than two decades, where he served as Head of Policy Research in the Fundamental Principles and Rights at Work (FPRW) Branch, Senior Migration Policy Advisor in the International Migration Programme, Development Economist and Deputy Director of the Programme on Socio-Economic Security, and Technical Advisor on Population and Poverty in the Development Policies Department. Previously, he was Senior Lecturer at the Institute of Social Studies in The Hague. He has written widely on social policy, employment and poverty, labor migration, and the interplay of demographic and macroeconomic issues. He holds a PhD in economics and development studies from the University of Sussex.

# The Beauty of the Process

Robert Labaree

I feel energized by the hopeful sketch of a just and resilient society emerging from this conversation about universal basic income. Paradoxically, what I like best in all this is both the prevailing ambivalence and the lack of finality in these posts. Their incompleteness and their nagging questions are essential to the hope they project.

Whatever ends up being the somewhat more just society we achieve by (God-willing) mid-century, it will be, at best, a work in progress, a sturdy-enough platform on which to build something else which we could not have imagined building in 2020. If conclusions were actually reached in this forum, they would not be the source of my hope. I see no evidence in history that we humans or our supercomputers can simply skip over the many platforms we have to erect along the way which, when looking back, will no doubt seem embarrassingly jerry-rigged.

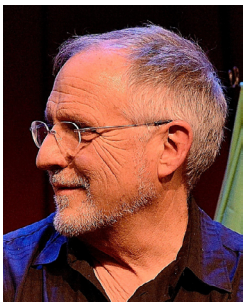
We have learned by now about the perils of perfect social planning (whether of the right or left variety), with all its unintended consequences and authoritarian residues. As an alternative model, I prefer nature, which is the most complex, incessantly changing, but enduring social system we know. There was no master plan for the multi-celled organism three billion years ago which charted the development to Linnaeus's family tree, homo sapiens, and the New York Stock Exchange. There was no master plan, but rather a ceaseless torrent of energetic experimentation with given materials and conditions, and the outcomes were at each stage unforeseeable. There was surely an order behind this riotous activity, but its laws are still eluding us. Here is where my hope lies: in the capacity of all our plan-making for fostering energetic experimentation. Is it time to revive the old maxim attributed to both Trotsky and Chairman Mao, to "let a thousand flowers bloom"?

There is also Eisenhower's homespun wartime wisdom that "every war is going to astonish you in the way it occurred, and in the way it is carried out," which is the corollary of his more famous axiom, "Plans are worthless, but planning is everything." He was speaking out of his experience working in some of the most complex collaborative human efforts in history, namely, the invasion of Normandy and the Cold War United States government. In our own time, the interdisciplinary developments in systems thinking, mainly derived from biology, are telling us the same thing, relying on concepts which were not in Ike's vocabulary. Nowadays, we speak of emergence, self-organization, and metastability.

The potential and depth of the UBI concept comes through in this forum, but not because a particular plan emerges as superior. The chemistry of these interactions, not the persuasiveness of one view over another, is the source of my hope, the sure sign of a healing process at work. I believe the "best" solutions will unfold, many of them in many different habitats, not because we have been clever enough to name all of their parts ahead of time, but because, as in nature, the interplay of actors and habitat and time proves them to be sturdy enough to endure. "Sturdy enough" is not the same as "correct" or "consistent" or "predictive." In the end, the enduring value of this work is not the plan envisioned but the interactive process among informed and empowered agents which the plan engenders.

I am not pessimistic about planning, only suspicious of a too-great faith in plans. If nature offers us any lessons, a multitude of UBI plans which are already in motion in a variety of habitats will each look inadequate from the point of view of another plan. But if matched to local conditions and agents, what is built there could last long enough to provide scaffolding for more work. All we can be sure of is that, as in nature, the solution which endures in spite of, or because of, unanticipated factors will become the launch site of the next stage.

## About the Author



Robert Labaree is an ethnomusicologist and performer specializing in Turkish music, with writings on improvisation, Ottoman-European musical interactions, and music and biology. He is faculty emeritus in musicology at New England Conservatory, where he has taught since 1984. In 1993, he founded the conservatory's Intercultural Institute and in 2013, the conservatory's Music in 2050 Forum. He holds a PhD in musicology from Wesleyan University.

# A Cornerstone of a Moral Economy

Jeremy Lent

I would imagine that most contributors to this discussion agree, to some degree at least, with the principle that we need deep, structural changes to our current socioeconomic system. It is not enough to tinker with a few parts of the system, no matter how beneficial that tinkering might appear. Our civilization, torn apart by gaping inequalities, is currently hell-bent on a course to disaster. Its suicidal addiction to economic growth paralyzes it from making the changes required to avert climate catastrophe, while it destroys life's abundance on our beautiful but wounded Earth.

We need to change the fundamentals of our society. We must move from a wealth-based civilization to one that is life-affirming—an ecological civilization. Without this Great Transition, we are leaving future generations to face the horrors of a collapsing civilization on a devastated planet. Can we transition rapidly enough? And can the transition occur without the old civilization collapsing catastrophically around us?

Given this context, I have been surprised by how much the discussion of a universal basic income sounds like arguing how to stack the deck chairs on the Titanic. Can we afford it? Would it be inflationary? Would the right wing use it as an excuse to take away basic services? In my view, the fundamental issues need to be: Does UBI help with the process of transforming civilization from within? Can it help to move us seamlessly into the Great Transition?

My own answer is a strong affirmative. I acknowledge that, by itself, it is not enough to redirect our global society, but I view it as one of the most important trimtabs available that (a) meets an urgent and current need, while (b) helping unravel some of the economic and cultural structures that have set our civilization on its collective suicide pact.

A full-fledged UBI—one that unconditionally provides every person with enough income to meet their basic needs—would fundamentally alter the paradigm of capitalism that has locked workers into the dominant system ever since its inception. Capitalism has endured by commoditizing people's lives, forcing them to sell the bulk of their available time and energy, or else face destitution and starvation. A true UBI would transform the relationship between labor and capital and weaken the power of the wealthy elite to control the population.

Even more fundamentally, UBI has the potential to shift underlying mainstream misconceptions about human nature. The dominant contract between capital and labor has reified the idea that humans are essentially selfish and lazy, and must be forced to work by a combination of fear and greed, which is effectuated by wages and other monetary "incentives." However, it has been widely demonstrated (and summarized well in Rutger Bregman's *Humankind*) that humans are nothing of the sort. In fact, people have a fundamental need to engage in a livelihood that is meaningful and to feel valued by their community. Work is not something people try to avoid; on the contrary, purposeful work is an integral part of human flourishing. If people were liberated by UBI from the daily necessity to sell their labor for survival, they would reinvest their time in crucial parts of the economy that, as Kate Raworth outlines in *Doughnut Economics*, have mostly been hidden from view—the household and the commons. They would care for loved ones, build community, and dare to do whatever it is that inspires them. The domination of the economy by the market would inevitably decline while those other, life-affirming sectors would be strengthened.

From a values perspective, UBI elevates the principles of trust and fairness as organizing structures of society, while eclipsing the ethic of cynicism that dominates our market-oriented system. Morally, UBI recognizes a precept of human history that has long been ignored—that the overwhelming proportion of wealth available to modern humans is the result of the cumulative ingenuity and industriousness of prior generations going back to earliest times, including such fundamentals as language, cultural traditions, and scientific knowledge. Once we realize the vastness of the cumulative common resources that our ancestors have bequeathed to us, it transforms our conception of wealth and value. Contrary to the widespread view that an entrepreneur who becomes a billionaire deserves his wealth, the reality is that whatever value he

created is a pittance compared to the immense bank of prior knowledge and social practices—the *commonwealth*—that he took from.

It is the moral birthright of every human to share in the vast commonwealth that our predecessors have collectively built, and I see a global UBI as the most effective way to make that happen. There are many structural changes required to shift our society's disastrous trajectory and replace our wealth-based, growth-addicted civilization with one that is truly ecological. A UBI, by itself, would not be nearly enough, but in my view, it is one of the most important cornerstones of a future that fosters sustainable human flourishing on a regenerated living Earth.

## About the Author

Jeremy Lent is the founder of the Liology Institute, which is dedicated to fostering an ecological worldview. He is the author of the award-winning *The Patterning Instinct: A Cultural History of Humanity's Search for Meaning* and the forthcoming *The Web of Meaning: Integrating Science and Traditional Wisdom to Find Our Place in the Universe*.

# A Pragmatic Utopian Demand

Simon Mair

Trying to make sense of debates on universal basic income can feel like herding cats. The arguments rush off in all different directions, revealing a thousand contradictions. The UBI will decommodify labor, freeing us from the market. The UBI will commodify our need satisfiers, binding us to the market. The UBI can build support for climate policies by recycling carbon taxes back to the public. The UBI will make it harder to transition to a low-carbon economy by growing consumption. The UBI is a mass of contradictions. In these contradictions there is power and danger.

Marxist feminist Kathi Weeks argues that the UBI is a powerful strategic demand because it marries utopian and pragmatic elements.[1] The UBI challenges key aspects of capitalism, opening new possibilities for how we might live (the utopian element). But the UBI has enough links to modern capitalism that it can realistically be implemented within capitalism. Without the utopian element, the UBI is just another uninspiring technocratic policy proposal.

Without its affinity to capitalism, the UBI is just another empty dream. The strength of the UBI lies in how it brings the utopian future together with the dystopian present. Viewed this way, the arguments raised against the UBI are transformed into arguments in favor of it. The UBI is neoliberal. It does enable us to meet our immediate needs through the market. It does commodify needs satisfiers. The UBI does lend itself to the lie that that private sector creates wealth. (Some tech billionaires advocate for a UBI as an act of private generosity!) The UBI slides seamlessly into the narratives and structures of neoliberal capitalism. But this is a strength. Without these attributes, the UBI would lie too far outside our social imaginations. It would seem impossible.

The utopian element also changes how we view arguments that the UBI alone is not enough. In a capitalist economy, a UBI will promote consumption and its disastrous environmental effects. In a capitalist economy, a UBI will devalue unpaid care work. The utopian hope is that the UBI lays the groundwork to transform capitalism. The ability to compel workers to take part in the market is a key dynamic of capitalism, and the UBI offers us a way to challenge this. So, yes, the UBI alone is not enough. But the UBI's contradictions give it the form of a Trojan horse: it is the way we sneak wider reforms into the capitalist economy.

What of the danger? I read the contradictions of the UBI in a particular direction: the Trojan horse entering capitalism. But we can also read the contradiction in the other direction. The UBI supports neoliberal capitalism today and promises us utopia tomorrow. Could the UBI be a capitalist Trojan horse, entering left and green circles with the promise of freedom while delivering more neoliberalism?

The key lies in the ability of the UBI to facilitate widespread rejection of the labor market. Implicit in discussions of greater freedom from the UBI is the idea that we work in the market to feed and shelter ourselves. I am sympathetic to this but see one major barrier, illustrated by a recent advertisement for Nespresso coffee machines. The advertisement features an adult child handing a coffee machine to his mother, who smiles lovingly at him. "Why do you give gifts?" the voiceover asks. "Because you are the favorite son" comes the answer. Most conceptions of a UBI would free me from the need to work to feed myself. But can they free me from my (perceived) need to work to buy love?

The challenge of the UBI is in addressing these contradictions. Can we grasp them in the way Weeks argues and use the UBI as a way to transform capitalism? Or will the cultural forces of neoliberal capitalism turn our tool against us? I do not have a good answer, so I am wary. But I still see the UBI as a useful platform. Though dangerous, its ability to ability to connect our present and our future is, for me, too tempting to turn away from.

## Endnotes

1. Kathi Weeks, *The Problem with Work: Feminism, Marxism, Antiwork Politics, and Postwork Imaginaries* (Durham, NC: Duke University Press, 2011).

## About the Author

Simon Mair is an ecological economist and lecturer in circular economy at the University of Bradford. His research focuses on building narratives about what a desirable and sustainable society might look like and how to get there, including the development of ecological macroeconomic models for exploring the economic dynamics of such societies. He holds a PhD from the University of Surrey, where he served as a research fellow at the Centre for the Understanding of Sustainable Prosperity (CUSP). His doctoral research developed and applied quantitative modeling frameworks to explore the relationship between environmental and socioeconomic sustainability in global supply chains.

# How to Green a UBI

Ulrich Schachtschneider

One criticism of the general idea of a basic income from an ecological point of view is that, with the larger mass purchasing power especially from the less affluent, more environmentally damaging things will be bought and produced. In his opener, Guy Standing rebuts this argument and explains how a basic income can be financed partly with eco-taxes. This would avoid such harmful effects and, to the contrary, support ecological transition—establishing, indeed, an ecological basic income.

But isn't financing a basic income through an increase of eco-taxes unjust for the poor? Don't they suffer the most under higher costs in their daily lives, since the user fees for raw materials or emissions via the series of value-added processes finally flow into the shops? The exact opposite occurs: those with higher income consume more and therefore usually have greater resource consumption. They pay on average more, while through a per person distribution they only receive an average profit; in other words, they are "net-payers." Those of lower income and those with many children are the beneficiaries. It is the same as with other taxes on income, heritage, wealth, capital, etc., paid back as a basic income. The wealthiest third or fourth will be the net payer. A basic income would not be paid from the "middle classes" as some critics say.

An eco-tax paid back (or, in other words, an ecological basic income) leads us out of the dilemma of economic instruments being used for environmental policies without social compensation: if it is too small, there will be no impact; if it is too big, it could hit the most vulnerable hard. Here it is the opposite: the higher the eco-tax rate, the bigger the redistributional impact.

In effect, a basic income would be financed by taxation of a special type of consumption which

burdens our environment and runs counter to the goal of sustainable development. But does not the success, i.e., less resource usage, undermine the financing as some critics argue? For this "problem," there is a simple solution. If less scarce or problematic resources are used, the revenue could nevertheless remain stable or even grow, because the tax rates could be increased. This is exactly what environmental scientists propose: to increase eco-taxes step by step, so that technological and cultural progress in order to reduce resource use will go on. It is important for both firms and people to know in advance the long-term price path of resources, so that they can develop alternatives in time. Maybe in the future we will reach a balance with an acceptable resource extraction, which continuously generates enough funding for the basic income.

High eco-taxes are also part of the Green New Deal, an answer to both economic and ecological crises, which has grown in popularity in Europe in the last decade. But even if state-supported innovation and investment in green technologies via both directives and price regulations will lead to greener products, this idea remains within the frame of productivism. That is, when the generation of new (green) work and new (green) products is seen as an advantage by itself.

But there are also ideas for a green economy beyond (endless) growth. Consuming differently is only one component of a resource-light lifestyle. The other is consuming less. A basic income would also support this by making the reduction of economic activity in general more feasible.

Firstly, it reduces the coercion to undertake ecologically problematic economic activities, because it gives everybody more financial security. How many products long known to be ecologically or socially damaging or socially disputable are accepted, if not required? For people to embrace an ecological transition of the economy to a far-reaching change of workplace and careers, they need a mindset of "change without fear." While, overall, Green New Deal conceptions try to ally such fears with the prospect of new (green) employment, the concept of a basic income consists of the guarantee of social security—a social security independent of economic growth.

Secondly, with a basic income, the parts of consumption that only take place to compensate for hard, undesirable, often alienated work will decline. The satisfaction at work will rise, because people will only take part in positive productive activities and working relationships. Compensatory consumption will decline.

Thirdly, a basic income would make society more equal. Equality both as an economic reality and as a social feeling is not only important for the acceptance of environmental policies. More equality will also reduce status consumption. The less steep the societal ladder is, the smaller is the felt need to show your neighbors what you are able to buy.

Thus an ecological basic income will be a "friendly environment" for both technical ways (efficiency, closed circles) and non-technical ways (sufficiency, cultural change) to fight ecological crisis. But—again—doesn't the possible anti-productivist effect undermine the financing? Of course, the size of a basic income couldn't remain stable in an economy with a shrinking GDP. But the question is whether this is necessary. If, to a certain extent, labor switches from gainful work to non-monetary work, i.e., subsistence or community work or, in other words, to less capitalism, we would not need the same size of a basic income anymore. We could, for example, couple the amount of the basic income to the amount of the GDP.

In summation, we can say that an ecological basic income as a core of a redistributive, libertarian, and anti-productivist Green New Deal would not only constitute a higher level of welfare state but also a higher level of environmental state. The structural problems of labor as well as the structural problems of environmental overuse would be solved according to the "basic idea of equal liberties"—following an idea of German philosopher Claus Offe. A fundamental "instrument" for this purpose is the ecological basic income: It would function as a growth brake the people can use—if they want so.

## About the Author

Ulrich Schachtschneider is an energy consultant, lecturer at University of Magdeburg, and freelance social scientist. His research focuses on social-ecological transformation, societal roads out of ecological crisis, and policies of degrowth. He is a member of the board of Unconditional Basic Income Europe (UBIE). He is author of such books as *Freedom, Equality, Serenity: With the Ecological Basic Income out of Growth Coercion* and co-editor, with Frank Adler, of *Post Growth Policies*.

# Income Floor, Ecological Ceiling

Caroline Whyte

Although others in this forum have counterposed universal basic income and universal basic services, I would assume, as a matter of course, that they must go together. UBS without UBI deprives people of sufficient choice about how to use their time and energy, while UBI without UBS puts them at risk from problems arising from inequality of power and the limitations of money. If the two were introduced together, an additional benefit would be that they would probably bring each other's costs down.

However, as UBI, UBS, and a jobs guarantee are all economic stimulus programs, they all pose a danger of exacerbating environmental damage (in the case of a jobs guarantee, even if the jobs themselves were "green," people might still spend their income in "non-green" ways). How do we get around this dilemma?

This danger could be addressed by introducing upstream measures to reflect resource limits. These would include a hard cap on fossil fuel production—and imports, if the cap is applied to nation-states—that would limit, and gradually phase out, the amount of fossil fuel that was available to the economy. This would not be hard to implement in practical terms, since a large proportion of fossil-fuel emissions originate from a rather small group of companies which are already monitored. The only real obstacle is political, but intense public pressure could help with that.

An upstream cap on fossil fuel supply would affect everyone's decisions—states, businesses and individuals—about what to spend money on. It would heavily affect transportation, and so would automatically make it more attractive to buy locally produced goods (and would be far less complicated to implement than a currency that could only be spent on local goods). An

upstream cap could be implemented on a national level or as a partnership between blocs of countries, or—much better—globally.

With regard to the need for global solutions, I would share the concern expressed by some that nationally introduced UBIs could exacerbate global inequality and generate pressure on a country with a UBI from incoming migrants—and again, this problem would also apply to UBS and a jobs guarantee. The only feasible long-term answer that I can see to that is to gradually introduce a world UBI. The group World Basic Income, which has a great deal of experience with cash transfer programs in the Global South, recommends introducing a very modest worldwide UBI of approximately 10 US dollars a month with the help of the mobile phone network and then scaling it up gradually. Meanwhile, individual countries could also introduce their own UBIs, and they could gradually be brought into sync with each other and with the world basic income.

There would obviously need to be an opt-out available for people or groups, such as indigenous tribes, who prefer to avoid being involved in the cash economy at all. I am very wary, however, of arguments that imply that people like us, who are all involved ourselves to a greater or lesser extent in the cash economy, know better than others whether or not they should have access to cash. "Ordinary" people need to be treated with respect and trust. Evidence strongly suggests that recipients of cash transfers tend to spend them in responsible ways.

Some UBI critics have expressed concern that a UBI could inflate property rents. I have come across a fair amount of discussion about this, and the most viable solution is a land value tax, which could help prevent the UBI income stream from automatically flowing to landlords. This would obviously be quite a challenge, however, if we are considering a global UBI; it would need to be introduced gradually and on a national level, with a long-range plan of synchronizing taxation between countries.

Kate Raworth's "doughnut economics" model offers a useful way of conceptualizing how a UBI, UBS, and upstream resource caps can work together. Upstream caps on fossil fuels and other limited or dangerous resources, and a land value tax, would help to define the outer limit of the economic doughnut, while UBI and UBS would prevent us from falling into the doughnut hole.

The type of infographic that is used by Kate Raworth in her doughnut model and by many other researchers, including those in the Planetary Boundaries Institute, was originally devised by Florence Nightingale. Nightingale was able to devote time to developing easy-to-understand statistical tools, as well as promoting public health measures that have saved millions of lives, because she received a guaranteed income which was supplied by her wealthy father— despite the fact that her family actually disapproved of her activities.

It is useful to turn the UBI/UBS question upside down and ask, what would human society be like if no adult had ever had their basic needs met for free? We would not have had the contributions of scientists like Nightingale or Blaise Pascal, or of artists such as Vincent Van Gogh. (Van Gogh's tragic suicide was probably linked to the fact that his brother Theo had recently told him that he might have to cut off his modest financial allowance.)

To paraphrase Jane Austen—who was completely dependent on her family until she published her first book in her mid-thirties—this discussion has given me more patience, though I wouldn't go so far as to say that it gives me hope.

## About the Author

Caroline Whyte is a writer and editor at for the Foundation for the Economics of Sustainability (Feasta). She represents Feasta in the global Wellbeing Economy Alliance, serves as a director of the Irish Environmental Network, and helped launch the CapGlobalCarbon initiative at COP-21. Her interests include financial system reform, international climate justice, and basic income. She holds a master's degree in ecological economics from Mälardalen University.

# Real-World Lessons

Almaz Zelleke

My comment focuses on one aspect of Guy Standing's very thorough survey of arguments for basic income: how the COVID-19 pandemic has demonstrated the need for a basic income as a foundation of a resilient social safety net. I focus on the US social safety net since that is the one with which I am most familiar.

As the COVID-19 pandemic began to shut down the US economy in March 2020, our social safety net was a collection of programs with different target populations, eligibility requirements, areas of coverage, and technical sophistication. The key existing program to address the loss of wages from the shutdown was Unemployment Insurance (UI), the federal-state partnership that provides replacement wages at varying percentages to covered employees. A number of its limitations soon became clear:

- UI's work-seeking conditionality would have to be suspended, since fewer jobs were available.
- UI's normal 6-month time limit would have to be extended, especially for those who were already unemployed when the pandemic hit.
- UI would have to be extended to workers not normally covered, including contract workers and the self-employed, in order to cover a significant proportion of those who lost wages due to the pandemic.

Even a very modest pre-existing universal and unconditional basic income would have obviated the need to approve these changes to the UI system in the midst of a crisis.

The US response to a fourth dilemma posed by the existing UI system is particularly instructive. Lawmakers realized that UI benefit levels would have to be increased above normal replacement rates—approximately 45% of lost wages—to keep average Americans from falling into destitution and worsening the downward trajectory of consumer demand. The preferred response was to increase the UI replacement rate to 100% of lost wages for average workers (who earn about $50,000 in the US), but the system's antiquated computer system could not easily implement this adjustment—a rich topic for a different forum. Instead, Congress approved a uniform $600 a week supplement for all UI recipients, immediately raising a concern with which basic income advocates are familiar—that the supplemental payment, which was targeted to raise UI benefits to the roughly $50,000 average full-time salary, would dampen the enthusiasm of many of the unemployed for looking for work.

This labor supply concern, together with a fifth dilemma never fully addressed by Congress, makes the case for a basic income as a critical foundation of our response to crises clear. The fifth dilemma was that workers who kept their jobs, especially those quickly lauded as "essential workers" like hospital staff, supermarket clerks, food deliverers, and public safety officers, did not receive any supplemental benefits, even though they were risking their safety and that of their families to keep essential services operating.

Interviews suggest that some of the recipients of the supplemental UI benefit did indeed prefer that to returning to work for lower wages while the pandemic continued—and who can blame them?—while recent research suggests the UI supplements had little negative effect on overall labor supply, since many of the unemployed had other reasons aside from income to want to return to work.[1] (The temporary supplement expired in July 2020, so any labor supply disincentive is no longer in effect.) Had lawmakers approved a universal $600 weekly supplement for all, regardless of work status, essential workers would have received a well-deserved bonus while the unemployed would have received a financial cushion and the prospect of financial gain, not loss, from returning to work. Even a smaller supplement, as long as it was ongoing, unconditional, and universal, could have had the economic stimulus effect lawmakers intended.

Congress did, as part of its pandemic response, approve a one-time $1,200 payment to adults with incomes up to about twice the average income (plus a $500 payment for children of eligible adults).

Although it was not the first time the government has sent out stimulus checks in the face of economic crises, this response also faced obstacles in implementation—in this case distributing the funds, since those at the low end of the income scale are less likely than higher earners to be in the federal tax database that was used to identify eligible recipients and their bank or postal details.

One group that was easy to identify and among the first to receive their stimulus checks were seniors who receive Social Security. Social Security is a well-run, efficiently administered program that sends monthly payments to 64 million seniors via direct bank deposit or mailed checks and whose payments levels are individually tailored to recipients' earnings history—exactly the infrastructure the government lacked for its UI supplements and stimulus payments. Social Security has long been recognized for dramatically reducing the poverty rate of the elderly.[2] Our long experience with Social Security together with our recent experience in the COVID-19 pandemic make clear the steps we need to take not only to continue to meet the current crisis but to prepare for the next one—as likely to be a climate crisis as a public health crisis. As it did in its response to the pandemic-induced economic crisis, the government needs to employ a dual response to economic disruption:

(1) Universal and unconditional benefits are the foundation on which a variable, earnings-tested UI system should rest. The $560 billion allocated to the one-time stimulus and to the weekly UI supplement would be better spent as progressively taxed unconditional payment to support workers employed in the formal sector, those currently without paid employment, and those providing unpaid care work in the home where burdens have dramatically increased as schools, care centers, and restaurants have closed or reduced services. All individuals should be enrolled in a Social Security-like database that stands ready to distribute without delay funds allocated in a crisis.

(2) We should move from targeting benefits ex ante through means tests to targeting ex post through taxation from higher earners, as the one-time stimulus payment did. Even better would be to have a progressive wealth tax in place with revenues dedicated to a basic income, much as employment payroll taxes are dedicated to Social Security. This would avoid any negative labor supply effects from taxes on earned income, and would allow the fund to build up reserves during periods of economic prosperity.

The US is now the site of dozens of basic income pilots designed to generate evidence about the effects of creating a foundation of economic security through a basic income. Because of the high cost of a truly universal basic income in a country like the US these pilots are all limited in scope, making it hard to extrapolate their results to those of a universal basic income. The government's response to the economic crisis precipitated by COVID-19 gives us a clearer picture of the effects of a universal and unconditional basic income in comparison to its conditional and targeted alternatives. We should recognize what we did right and what we could do better next time, and build the infrastructure we need now for a more effective response in the future.

## Endnotes

1. Iona Elena Marinescu, Daphné Skandalis, and Daniel Zhao, "Job Search, Job Posting and Unemployment Insurance During the COVID-19 Crisis," July 2020, Social Science Research Network, https://ssrn.com/abstract=3664265.

2. Kathleen Romig, *Social Security Lifts More Americans Above Poverty Than Any Other Program* (Washington, DC: Center for Budget and Policy Priorities, 2020), www.cbpp.org/research/social-security/social-security-lifts-more-americans-above-poverty-than-any-other-program.

## About the Author

Almaz Zelleke is Professor of Practice in Political Science at New York University, Shanghai, where she teaches political science and comparative political economy and directs the undergraduate Social Science major. Her articles on basic income, distributive justice, welfare policy, and feminist political theory have been published in *Basic Income Studies*, *Political Quarterly*, *Journal of Sociology and Social Welfare*, *Policy and Politics*, *Review of Social Economy*, and *Journal of Socio-Economics*. She holds a PhD in political science from Harvard University.

# Panel 2:
# Caveats or Alternatives

# Thinking Bigger

Lourdes Benería

Universal basic income is a redistributive way to deal with the extreme and increasing inequality we have in the world today, generated by the very extreme inequality in the distribution of means of production and appropriation of resources. However, despite the great redistribution implied, the Jeff Bezoses of the world, the Mark Zuckerbergs, and the Sundar Pichais will still remain at the top of the world's distribution of wealth and power. As such, they will automatically benefit from whatever increases in the world's income get generated in their way. They will keep receiving billions, as they did this year, because "they have a right to it." Under the UBI schemes, they will pay taxes, and the income collected through taxation will be channeled and distributed to recipients at the bottom of society. This redistribution will deal with poverty in a rather efficient way. It will clearly contribute to build a more just society, but by far, it will not be an egalitarian solution since great differences in income and power will remain.

Could we not do better by thinking "outside the box" in this discussion? Can we not question, for example, the fact that the immense wealth generated by the increase in Amazon's sales this year is the result of private ownership and accumulation of resources? Could we not begin questioning again the maldistribution of the means of production and appropriation in this planet and search for ways to make sure that they belong to everybody?

In our old arguments for socialism, we used to talk about the "nationalization of means of production," and I don't want to return to old debates related to a different world. But, as we find ways of discussing and implementing UBI schemes, could we not start thinking about the fact that the world's resources should not continue to be controlled by a few while so many have nothing? We need to think about how they could be collectivized and accessed by all the world's citizens

so that we all have rights to them. To begin thinking about how this ambitious goal can be put in motion seems mind-boggling, if not impossible. But, if our ancestors developed ways of organizing their commons, perhaps we can do it too. Old commons can be a source of inspiration to begin with. They encompassed more local wealth and means of production whereas our globalized resources would be harder to identify and distribute, but that does not mean that it can't be done.

## About the Author

Lourdes Benería is Professor Emerita at Cornell University, where she taught from 1987 to 2010 and was Director of the Gender and Global Change Program and of the Latin American Studies Program. An economist, her work has concentrated on development issues—especially in Latin America—and on labor markets, women's work and globalization. She has worked with several international organizations, including the ILO, UNDP, and UNIFEM (now UNWomen), and she is a former president of the International Association for Feminist Economics. She is the author of such books as *Gender, Development, and Globalization* and *Changing Employment Patterns and the Informalization of Jobs: General Trends and Gender Dimensions*. She holds a PhD in economics from Columbia University.

# No Cure for Coercion

Janine Berg

Universal basic income is a heated issue precisely because it purports to accomplish so many things. Typically, whenever we ask too much of one policy instrument, it falls short. According to Guy Standing's opener, UBI will free us from the constraint of having to work, but also of being told what to do and by whom. But these freedoms will only be realized if the basic income is at such a level that our material needs are completely satisfied. One can't walk away from a nasty boss unless that job really isn't needed. He states that the UBI should not be a substitute for existing public services and that groups that are constrained in their earnings (disabled workers, the elderly) should receive supplements. People are thus still working, providing "essential services" for our societies. So what is compelling them to do the paid work? While some jobs satisfy other human needs that people derive pleasure from, many jobs do not (sanitation workers, janitors, bus drivers). UBI supporters would argue that by providing economic security, the UBI will increase bargaining power to such an extent that the less desirable but still needed functions performed by workers will be compensated at such a high level that it would attract workers.

But I think another scenario is more likely: the UBI will not be sustained at a high enough level to fully remove the need to work. The history of capitalism is replete with examples of coercive measures taken to create a labor force. Perfectly content and self-sustaining indigenous communities were enslaved or deliberately deprived of their land in order to make them work. I see no reason why it would be any different now.

In the capitalist system in which we live, the UBI would succumb to the same pressures. It would be kept low enough to eradicate hunger, but not much else. People would have to work (as most jobs cannot be replaced by robots, and even robots need humans to operate

them). The result is that the UBI would act as an unconditional income supplement, similar to the child grants and old-age pensions that exist in many countries today. There is nothing wrong with this, and the unconditionality and universality of such an income supplement is a welcome feature, but then we are not so free, and little about our society has been transformed.

## About the Author

Janine Berg is Senior Economist at the International Labour Office in Geneva, Switzerland. Since joining the ILO in 2002, she has conducted research on the economic impacts of labor laws and provided technical assistance to ILO constituents on policies for generating jobs and improving working conditions. She is the author of several books and numerous articles on employment and labor market institutions, including the ILO report *Non-Standard Employment around the World: Understanding Challenges, Shaping Prospects*. Her research currently focuses on transformations of work, including digital labor platforms and algorithmic management. She holds a PhD in economics from the New School for Social Research.

# Against Privatizing the Welfare State

Halina Brown

The goal of a universal basic income is to give every citizen an opportunity to lead a dignified life in which their and their families' basic physical and psychological needs are met in the world in which there may not be enough jobs for everybody and in which income from existing jobs may be inadequate.

I doubt that a UBI will deliver on this goal. Rather, I fear that it will do just the opposite: provide inadequately for the people who are marginalized in the current economy while preserving the system that marginalizes them in the first place.

Let me start with the list of universal human needs: nutrition, shelter, social participation, education, health, physical security, and income security.[1] Providing people with a modest income might help with obtaining nutrition, shelter, and income security though it is unlikely that a UBI will ever be high enough to truly eliminate the wants in these three categories. But it will do nothing to satisfy the other basic needs: health (too costly for private payments), education, social participation, and physical and income security. For those, we need functioning, well-funded institutions.

A problem with a UBI is that it commodifies the satisfiers of basic human needs, essentially saying that citizens should purchase them. By doing so, it perpetuates the neoliberal premise that the free market is the best system for meeting human needs and making everybody better off. After four decades of using this ideology as an organizing principle for society, we know that it is completely false in today's winner-take-all global economy. Building a new institution on that same premise does not make sense to me.

Furthermore, a UBI will be a great opportunity for the free marketeers and libertarians to call for further shrinking of government's role in providing for the well-being of society, a process that has been going on since the late seventies. "You have your income," they will say, "Isn't that enough?" Yes, the proponents of UBI say that it should complement other necessary government services and institutions. But I do not believe that, in reality, it will happen. Moreover, unless the UBI is indexed to some average or median salary (I am not sure how that can be done given severe income inequality), its fate will be similar to that of the minimum wage: from the first day of existence, it will start falling behind in its purchasing power.

And what happens when the political winds on the extreme right starve or completely eliminate the UBI? At that point, we will have neither: no government services and no individual income. I do not trust our political system to protect the UBI.

A UBI would essentially be a huge transfer of public money into the hands of private businesses. We are a consumer society. We are all influenced to lesser or greater extent by the genius of the marketing and advertising industry. For that industry, the stream of cash in the hands of citizens-consumers will be an irresistible sea of gold. No sooner will the money enter the household budgets that it will get clawed back into the pockets of producers of goods and services, whether needed or not. The US household saving rate and debt demonstrate this phenomenon well. Yes, this transfer of wealth will keep the economy moving, but will the recipients of a UBI spend the money to meet their basic needs and dignified life? Some will; many will not. Poverty will not disappear, and greenhouse gas emissions from all that consumption will be detrimental.

A UBI might even have a more insidious impact. Giving people money to solve their daily problems of existence is equivalent to saying that everybody is on their own. Problems of one person are of no interest to another person. We already have plenty of this type of behavior. When schools are inadequately funded, many well-heeled parents send their children to private schools rather than working with other parents to solve this collective problem. Just look at what is happening during the COVID-19 pandemic: private tutors, private study pods, private child care. One of the reasons that the problem of access to health care in the US does not have sufficient political traction is that people with good health insurance (who usually have good-paying jobs and politically savvy) have little interest in risking it for a collective solution to this collective problem.

I prefer to live in a society where collective problems are solved together, not individually. As I watch with great trepidation the growing divisions in our society and the hatred between people, I feel that now more ever we need to build solidarity among people and a sense of common destiny. A UBI will not take us there.

The universal basic services (UBS) approach is a more promising alternative to a UBI.[2] In this model, all citizens have a guaranteed access to government-provided high-quality services which meet the basic needs of nutrition, shelter, social participation, education, health, and physical security. Public money remains in the public sphere, cash payments have less importance to households, and material consumption is less frantic, to the great benefit of the global climate.

## Endnotes

1. The list is adapted from Ian Gough, "Universal Basic Services: A Theoretical and Moral Framework," *Political Quarterly* 90, no. 3 (2019): 534–542.

2. Anna Coote and Andrew Percy, *The Case for Universal Basic Services* (London: Polity Press, 2020).

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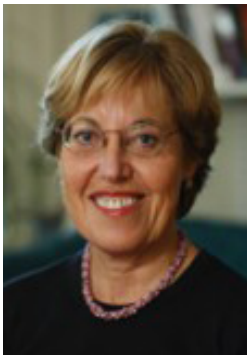

Halina Brown is Associate Fellow at the Tellus Institute, Professor Emerita of Environmental Science and Policy at Clark University, and chair of the Citizens Commission on Energy in Newton, Massachusetts. Her scholarly research has included environmental risk assessment, national and international environmental policy, corporate environmental management, the institutionalization of sustainability reporting, socio-technical transitions, and sustainable consumption. She has served as a chief toxicologist at the Massachusetts Department of Environmental Protection and a visiting professor at several universities. She is a co-founder of the Sustainable Consumption Research and Action Initiative (SCORAI) and a Fellow of the American Association for the Advancement of Science and the International Society for Risk Analysis. She holds a PhD in chemistry from New York University in 1976.

# Globalizing the Challenge

Andreas Bummel

Although the idea of a basic income is often discussed on the national level, we should envision it as a global instrument that will eventually benefit each and every citizen on the planet. The proposal for a basic income is linked to the idea that everyone has a stake in global commons and a right to share the fruits of civilization. A global basic income thus has a strong symbolic dimension, promoting the idea of the equality of all people and global citizenship.

Jo Leinen and I briefly touched on this topic in our 2018 book *A World Parliament: Governance and Democracy in the 21st Century.* We argued that a global basic income provides an answer to the question of what the money raised by global taxes (like a carbon tax, a global wealth tax, or financial transaction tax) could be used for. A global basic income is perhaps the most sensible use for the bulk of global tax revenue, another portion of which should be used to sustain independent funding of global institutions.

The stability of any such revenue source is a key question. Revenues from a carbon tax, for example, should phase out over time as a transition to a non-carbon economy proceeds. Such income is best used to support this transition and won't be available in the long run to fund basic income schemes.

In any case, a democratic world parliament should set the framework for practical implementation, should be the highest budgetary authority, and should exercise democratic control. The practical arrangements might involve several different models, all operating within common global guidelines, to suit differing local conditions. In the developed countries, for example, where there are functioning tax and social welfare systems, it might

make sense to implement the basic income in the form of a negative income tax. In other countries, it might be better to pay it out in full, with the minimum of bureaucracy.

## About the Author

Andreas Bummel is co-founder and global coordinator of the Campaign for a United Nations Parliamentary Assembly, which advocates democratic representation of the world's citizens at the UN and the institutions of global governance. The campaign has been endorsed by 1,500 sitting and former lawmakers from over 100 countries. He has been a council member of the World Federalist Movement–Institute for Global Policy, a fellow of the World Academy of Art and Science, and an honorary member of the Society for Threatened Peoples. He is co-author of such books as *A World Parliament: Governance and Democracy in the 21st Century* and *A United Nations Parliamentary Assembly: A Policy Review of Democracy Without Borders*.

# Strengthen the Welfare State

Anna Coote

The case for a universal basic income surely rests on what it can achieve for the individuals who receive it. Does it give you enough to buy what you need to lead a sufficient and flourishing life? The answer depends on how many of life's necessities you have to pay for directly and how many are already available because they are provided collectively and funded through taxation. If you have to pay for health care and education, for example, you will need a much larger disposable income. The same is true if the costs of housing, transportation, and care are high. If your access to some of life's necessities is secured through public policy and shared investment, you will be less dependent on cash transactions to lead a life that you value.

It helps to understand "income" as having two components. There is money. And there are in-kind benefits, or what some call a "virtual" or "social" income. Both are essential. And they are interdependent. The less you have of the latter, the more you need of the former.

Most basic income advocates would agree that in-kind benefits help to combat poverty and inequality, and underpin the freedoms they hope will be delivered by UBI. But by focusing their attention almost exclusively on cash income and promoting this as the main route to a desirable transition, they overlook two vital points.

The first is that in-kind benefits—or what some describe as "universal basic services" (UBS)—cannot be taken for granted. They have been profoundly undermined and are further threatened, both by spending cuts pursued by many governments over the last decade and now by the vast public expenditures associated with efforts to combat COVID-19. So there is a strong case for defending and improving the social dimension of income, which will inevitably influence the level of cash income that people will experience as sufficient. Looked at this way,

campaigning for more and better publicly funded services should be a top priority for supporters of UBI—an essential part of the same package. Up to now, however, this has been left in the margins.

The second, rather obvious point is that money spent on a UBI cannot be spent on in-kind benefits. Even at a modest (and insufficient) level, the price of regular, unconditional cash payments to all would be immense. Estimated gross costs vary between 10 and 30 per cent of GDP. So even if UBI campaigners did start paying more attention to social income, they could not achieve their ambition on the cash side without absorbing a disproportionate share of public resources and greatly diminishing the chance of securing sufficient in-kind benefits.

Is there an irreconcilable difference between advocates of UBS and UBI? The former seek to pool resources and share risks, promoting collective action to ensure that everyone has access to life's necessities, according to need not ability to pay. The latter seek to put a bit more money into everyone's pockets, leaving future prospects to the market. There may seem to be an impossible gap between the two, but, in fact, I don't think there is—at least not where progressive supporters of UBI are concerned. (There is less hope for the neoliberal enthusiasts, for whom UBI is an alternative to collective action and a way of rolling back the state.)

The goal of a sufficient cash income for all—as a right, not a privilege—is integral to the case for UBS. So there is plenty of common ground. What is proposed is a minimum income guarantee, which is currently being developed by the New Economics Foundation. It avoids the intrusions and indignities associated with means-testing. It is a lot more generous than most versions of UBI and a great deal cheaper—estimated at around 5 per cent of GDP. That is because it is paid unconditionally to those who claim it, rather than to everyone whether they need it or not.

There is always a risk that UBI will remain locked in the realm of fantasy, because it can never be both adequate and affordable at the same time. But there is an escape route that involves engaging much more closely with the UBS agenda.

Suppose UBI supporters recognized that cash and in-kind benefits were essentially two sides of the same coin. Suppose UBI became a movement to secure a sufficient level of both social and

cash income for all. And suppose the cash element were understood as a guarantee that no one's income would fall below a sufficient level, rather than as an automatic payment to everyone. This would transform the prospects for realizing the progressive goals of UBI in practice.

## About the Author

Anna Coote is Principal Fellow at the New Economics Foundation (NEF). She has published widely on social justice, sustainable development, working time, public health policy, public involvement and democratic dialogue, and gender equality. She previously served as Director of Health Policy at the King's Fund, Deputy Director of the Institute for Public Policy Research, Editor of current affairs television at Diverse Productions, and Deputy Editor of the New Statesman. She was Commissioner for Health with the UK Sustainable Development Commission from 2000 to 2009. Her recently authored or co-authored publications include *The Case for a Four Day Week*, *The Case for Universal Basic Services*, *Universal Basic Income: A Union Perspective*, and *Building a New Social Commons*.

# A False Promise

Ian Gough

Universal basic income is a policy rather than a fundamental value or goal of collective action, unlike freedom, equality, well-being, or sustainability. It is one very specific route to such values or goals and should be evaluated accordingly. With that in mind, I want to question the coherence of UBI as a policy strategy and the values which it purports to pursue.

## What Is UBI?

In a way, this is the central question. In his opener, Guy Standing defines BI (no longer UBI) as "providing every legal resident of a country with an equal monthly sum of money, without conditions, as an economic right." This is usually qualified as a "modest sum," though the original idea was "a basic amount on which every citizen can survive." For example, the UK Green Party proposes "a guaranteed, non-means-tested income, *sufficient to cover basic needs*, payable to every woman, man and child legally resident in the UK." The reliable Loughborough Minimum Income Standards research finds that a decent participatory income in the UK today would amount to some 80% of the median income, i.e., about £200 per person per week or £10,000 per person per annum.

To my knowledge, no one, anywhere in the world, is seriously proposing a full UBI. For instance, the Citizen's Income Trust has ruled out the possibility of a full citizen's income for everyone as far too expensive. So all extant pilots, experiments, and plans in the rich, developed world are for what might be called a minimal BI. This is the case for the UK Royal Society for the Arts scheme, Andy Stern's US plan, and Philippe Van Parijs's Euro-dividend of €200 a month.

## Affordability: Benefit and Fiscal Costs

So we must start with actual proposals. The latest UK report advocating UBI by Stewart Lansley and Howard Reed proposes an annual basic income of £60 per week (£3120 pa) for adults aged 18-65, £40 (£2080) for children, and £175 (£9100) for people over 65.[1] This would provide, for example, £10,400 pa for a couple with two children. The gross costs would be £300bn, or about 15% of GDP. This would be partly paid for by abolishing child benefit and the state pension, but all existing means-tested benefits would be retained. In addition, the personal tax allowance would be abolished, saving £101bn. But this still leaves a shortfall of £81bn, which they propose to cover by raising income tax rates by 3p in the £ and charging national insurance contributions on all incomes rather than capping them as at present.

This radical shift would achieve certain progressive gains: according to their model, the incidence of child poverty falls from 29% to 18%. But the overall impact on poverty is small: working-age poverty falls only from 20% to 16%. Moreover, the proportion of households in the poorest decile claiming means-tested benefits would fall by a tiny amount from 76% to 70%. These are meager rewards from a program proposing to reorient 15% of GDP.

UBI advocates typically respond by asserting that there is plenty of money available if only it were tapped. Guy Standing in his latest book lists seven: raising tax levels to the OECD average; abolishing personal tax allowances, tax reliefs on higher pension contributions, and exemptions to capital gains tax; closing tax loopholes and reducing tax avoidance; building a People's Quantitative Easing program; and establishing a Commons Fund financed by a land value tax. I would love to see all this happen. But surely the revenues of such a fiscal revolution should not all be dispersed as a partial BI, which will remain inadequate, fall far short of ending poverty, and leave reliance on means-testing pervasive.

## "To Each According to Their Needs"

In the early years of the BI movement, BI was labelled "the capitalist road to communism," a shortcut which would obviate the need, according to Marx and Lenin, for a messy in-between stage of "socialism." So let us begin with Marx's famous definition of communism: "from each according to his ability; to each according to his needs." Providing everyone with an income—if

sufficient to live on—would seem a clear route to this radical goal. Indeed, providing all citizens with basic economic security is a profoundly good idea. It echoes the idea that social wealth is collectively produced and that it is unjust that owners of land and capital are able to exploit the vast bulk of citizens and lay claim to this surplus.

But BI contradicts Marx in at least two respects. First, it focuses solely on money income as the route to meeting needs. By strengthening the role of money in everyday life, a UBI would privatize consumption and leave present social relations untouched. Giving people money to spend on goods and services to meet their needs is an indirect, circuitous, and potentially self-defeating route to meeting those needs.[2] Even contemporary welfare states comprise more than that: national health services (except in the US) and public education fulfill critical social consumption and social investment functions.

Second, BI ignores the first part of Marx's famous definition, "from each according to their ability": the idea of a social and foundational economy to which all who are able contribute their labor and care. Such social obligations are missing from most proposals in the belief that providing a basic income will somehow call forth a range of participatory responses. From a human need perspective, participation in productive and reproductive activities, as well as contribution to collective welfare, is essential for self-respect, cognitive development, and purposeful socialization.

## Ecology, Sustainability, and UBI

BI has been promoted by green parties and degrowth advocates since the 1970s. Yet it is remarkable that many green supporters of BI rarely advance a specifically green or environmental case. Guy Standing devotes only two paragraphs of his 2017 book to these questions. One claim is that a BI would encourage people to shift some of their time from resource-depleting labor activities to "resource preserving reproductive activities." Related to this is the claim that it would encourage shorter working hours. But there is growing evidence that dispersing money in this way would raise, not lower, carbon emissions.

Similarly, degrowth advocates frequently promote BI as a route, but again with little evidence. The coupling of UBI with degrowth reveals a dilemma at its heart: an expanded and fiscally more demanding state is superimposed on a shrinking economy. The pressing need will be for a radical

investment strategy to attain a just transition to a sustainable economy: for the decarbonization of production and consumption, for climate adaptation programs, and for social consumption rather than individualized consumption.

One possible link concerns reducing emissions via carbon pricing. Recognizing that this would have a regressive impact, a BI would make carbon pricing or taxation more equitable and acceptable by recycling the revenues raised to pay "green dividends" to everybody. But the tax-and-compensate case has dwindled in recent years in the face of growing evidence that monetary compensation is an inefficient way of securing a just transition to a low-carbon society.

## Conclusion

The overriding task today is keeping within planetary limits—addressing climate breakdown, species extinction, and other existential challenges—while at the same time shifting from a greed-driven to a need-driven economic system. The central slogan should be a "just transition" from the present to a future green, equitable, and sustainable world. And this transition has to be very rapid—it must start now.

No single policy instrument can achieve this. UBI proponents who recognize this always then list a series of adjunct proposals or add-ons, without which it cannot achieve its aim. But as the add-ons multiply, what becomes the role of the central thrust to achieve a UBI? UBI would divert, not augment, energies and movements for a just transition.

Many supporters see UBI as a waystation to a different society: a powerful mobilizing theme to bring about more radical change. There is no real-world evidence for this. The only example is the Alaska Permanent Fund, which pays on average $1400 per person per year depending on oil revenues. Similar proposals have been made every few years for the last forty years and have gone nowhere. Nor will they in the future.

What is the alternative? There is a growing movement advocating Universal Basic Services that recognizes the multifarious nature of human needs and the role of collective services alongside money income, pays proper attention to planetary limits and sustainability, and argues the need for an integrated suite of policies to transform the current economic system. We should focus our energies there.

## Endnotes

1. Stewart Lansley and Howard Reed, *Basic Income for All: From Desirability to Feasibility* (London: Compass, 2019), https://www.compassonline.org.uk/publications/basic-income-for-all-from-desirability-to-feasibility/.

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## About the Author

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# The Barriers of Bigotry

Leah Hamilton

While Guy Standing's opener deftly outlines and counters economic objections to a basic income, he does not address the (usually) unspoken wall standing before a century of anti-poverty activists in the US: American racism and sexism. While advocates (including myself) argue that a basic income is a more humane and ethical approach to poverty alleviation, researchers have found that white Americans, who unconsciously associate social programs with black communities (counter to statistical realities), struggle to feel empathy towards those who do not look like them, undermining appeals to humanity and universality. This cross-racial empathy gap is present among people of all races but is especially significant when whites make up 73% of voters, 78% of Congress, and over 80% of state legislators.

This year's "Summer of Racial Reckoning" has brought into focus this reality, which poverty scholars have known for decades: the United States is steeped in racial inequality and white supremacy. Institutionalized racism is present at every level of government, including policing, public education, and social policy. In the American social safety net, racism intersects with sexism and classism to form a system whose primary purpose is to punish Black women with low incomes. Intersectional theorist Kimberlé Crenshaw argues that modern social welfare is a legacy of slavery's commodification of the lives and reproduction of Black women.

In the early twentieth century, America's growing social safety net was popular among white Americans. Welfare programs at the time primarily reinforced racist, sexist, and classist norms, which included denying aid for children born out of wedlock and intentional gaps in coverage that excluded most women of color. For example, welfare offices in rural Black communities would often close during harvest time to ensure a steady stream of cheap labor. "Man-in-the-

house" rules destabilized the Black family and institutionalized the surveillance of Black women, with documented cases of workers peering through women's windows in the middle of the night. When Black women did receive aid, it was often much less than white women, with some welfare offices having separate sample budgets by race.

The tide of white sentiment towards social programs turned in the 1960s when organizers demanded the end of racist welfare practices and Black enrollment increased. In the 1980s, Ronald Reagan successfully tapped into growing white backlash to the Civil Rights movement and defunded many social programs by utilizing racist dog whistles, describing a "welfare queen in Chicago" on the campaign trail. The racist conservative movement delivered its final blow to the American safety net in 1996, when Bill Clinton "ended welfare as we know it," imposing five-year lifetime limits and strict work requirements. While the newly created program, Temporary Assistance to Needy Families, is touted as a positive step towards work and independence, sexist and racist practices persist. Researchers have discovered that states with higher Black populations have more punitive and paternalistic eligibility rules in their welfare programs. States can deny aid if participant women have additional children or refuse to identify non-custodial fathers. It requires mothers under the age of 18 to live with their parents, unless married, suggesting that young women must be supervised by either adults or a male partner, but cannot be trusted on their own.

While the growing racial justice movement suggests that America may be ready to address institutionalized racism, there is a long road ahead. To be effective, basic income advocates must navigate the barriers described above. This may mean calling out the deeply racist and sexist foundations of our current system. However, for many, calls for universal humanity are better replaced with appeals to individual rather than the collective benefit. If basic income advocates such as Standing cannot reckon with the prejudice rampant in American social policy, I fear that the movement will be easily co-opted by the likes of Charles Murray who wants to see basic income replace every social institution, including health care and public education, ultimately exacerbating racial and gender inequality.

## About the Author

Leah Hamilton is Associate Professor of Social Work at Appalachian State University. She teaches courses on social welfare policy and conducts research related to family financial stability and basic income. Her work has been featured in *The Atlantic*, *National Public Radio*, *Governing Magazine*, and *Bloomberg View*. She serves on the boards of the ACLU of North Carolina, the Basic Income Earth Network, and Influencing Social Policy. Her latest book is *Welfare Doesn't Work: The Promises of Basic Income for a Failed American Safety Net*. She holds a PhD in public policy from the University of Arkansas.

# The Danger of Good Intentions

Anke Hassel

What you make of a universal basic income depends on where you are. In countries without a social safety net, a UBI can mean a big step towards basic social rights. In advanced industrialized countries, welfare state provisions can be either means-tested, punitive, or enabling. Where social assistance is meager and stigmatized, recipients must jump through many hoops and face humiliating experiences. A UBI can be seen as an escape route from demeaning encounters with a controlling state. In other countries with comprehensive welfare provisions, it might not make much difference in this regard but, on the contrary, endanger and compete with middle-class pension schemes or generous housing benefits.

The close interaction of a UBI with existing welfare state provisions makes a universal perspective obsolete. Why should anyone fundamentally challenge a comprehensive welfare state? Why defend dysfunctional or non-existent social safety nets? We therefore need to become much more specific about what we are talking about.

In the context of the welfare state in Germany, which is where I am located, the UBI campaign finds increasing support in opinion polls. The most comprehensive survey data has included a question on UBI for some time now and asks the question whether respondents are in favor or against a UBI, which covers basic cost of living, is tax-financed but not taxed, and is independent of individual effort. About 50% of the respondents are either in favor or strongly in favor of the UBI.[1] Respondents are not provided with information on how the UBI will be financed and do not know which social transfer payments or public services will disappear. No respondent has a clear picture of what the trade-off is but is made to believe that they will benefit from and not pay for a UBI. Support for a UBI is higher among younger, better educated,

and poorer respondents. The European Social Survey shows similar results for other countries, with higher support in countries with smaller welfare states and lower support in Scandinavia.

On a more general level, I have three fundamental concerns regarding a universal basic income.

First is financing. A UBI can be funded through new taxes and replacing other benefits. A new tax will be levied either on consumption (CO2 taxes), financial transactions, or income (negative income tax). Given the trajectory of tax policies of the last decades and the decline of effective tax rates on corporations and the wealthy, it is highly likely that the tax burden will fall on the middle classes. The support of tech executives for a UBI does not mean that they accept taxing the rich. If paying for a UBI is levied on middle-class incomes, it will reduce the willingness to pay for the welfare state, and the welfare state will shrink.

Second is public services. A UBI is highly likely to crowd out the funding for existing universal public services. Public health care, education, care, social work, and infrastructure depend on the capacity of governments to tax and spend. If governments embrace the UBI as a universal tool for delivering new financial freedom to their citizens, it will take a large toll on governments' ability to invest in other areas. Public services will have to be trimmed to pay for the UBI, and the necessary investment in high-quality schools, hospitals, care homes, and transportation is likely to decline. The example of the Alaska Permanent Fund Dividend is already a telling example of how the politics of a promise of a UBI might play out. A promise to increase the dividend has led to electoral support for Governor Mike Dunleavy, who then had to decide on major cuts in public spending in order to deliver at least some of it in the context of lower oil revenues.[2] As soon as there is a direct entitlement by citizens to a basic income, the political economy will be diverted away from spending on services for the weakest to pleasing those who demand their income as a basic right.

Third is women. Guy writes that "a basic income better enables people to perform the socially necessary work of caring for children, the elderly, or sick loved ones." There is a danger that a UBI has very gendered implications. The care for children, elderly, and sick loved ones has in the past been the responsibility of women. Women have struggled to go out to work for fifty years now and fought for a more equal division of labor inside the home. A UBI will give a strong incentive for

a return to a more traditional division of labor. Combined with cuts in public services for care, this would make it harder for women to defend gender equality at home and at work.

We need to address these trade-offs head on. From my perspective, a good life is supported by government services through high-quality education, social care, health, public transportation, protection against social risks, and anti-discrimination. A UBI provides none of the services that people need in good societies but will play into a more gendered and unequal society. In contrast, it will endanger those services in exchange for a meager flat income. The UBI might have good intentions but could backfire badly.

## Endnotes

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## About the Author

Anke Hassel is Professor of Public Policy at the Hertie School in Berlin. From 2016 to 2019, she was the Scientific Director of the Institute of Economic and Social Research at the Hans Böckler Foundation. She has extensive international experience and scientific expertise on the labor market, social partnership, and comparative political economy of developed industrial nations. She advised the fact-finding committee of the German Bundestag (2012–13) on growth, prosperity, and quality of life, and chaired the expert group on Workers' Voice and Good Corporate Governance in Transnational Companies in Europe (2015–2018). She has also been a member of the German Federal Government's High-Tech Forum since January 2019.

# Rethink Money First

Alf Hornborg

Guy Standing's many good arguments for a universal basic income (UBI) are valid, and yet so are many of the objections his opener has provoked. How can we account for this?

The reason is that both the UBI proposal and the criticisms levelled against it are constrained by the possibilities of conventional money. We must ask ourselves whether a UBI should be paid in a special-purpose currency that does not share the destructive logic of regular money. The economic historian and anthropologist Karl Polanyi called our regular money *all-* or *general-purpose money*. In contrast to other forms of money used in other societies and historical periods, our all-purpose money assumes that all values are interchangeable. This is an idea, embodied in an artifact ("the almighty dollar") with which our lives are unwittingly entangled, that is at the root of global capitalism and its many evils, social as well as ecological.

Providing all citizens with basic economic security is a profoundly good idea. It would dissolve the proletarian condition that Marx identified as fundamental to capitalism. No longer forced to do boring and undesirable work—simply to pay for rent and groceries—people would be free to pursue whatever sources of meaning and happiness they choose. This would no doubt make many people more satisfied with their lives, more creative, and more existentially secure. Guy Standing may be right in that it would even encourage entrepreneurship. But people should not need to be entrepreneurial to be economically secure. After all, regardless of how provisions are organized, nobody is supposed to starve in a modern welfare state. And it is doubtlessly more edifying to survive on basic income than on unemployment benefits or other forms of welfare.

But a UBI should aim further than "increasing the purchasing power of low-income households, who have a higher propensity to spend." From a global perspective, it does not seem progressive

to simply raise the average purchasing power of consumers in the Global North. The average ecological footprint in the North is already obscenely larger than in the South. While tackling poverty and inequality in Europe and North America is obviously justified, simply handing out more regular money to spend in the North will mean increasing poverty and inequality at the global scale. The additional money spent in the North will encourage low-wage jobs, ecological degradation, and carbon emissions in the Global South. Through globalization, the logic of all-purpose money inexorably translates into rewarding cheap labor and lax environmental legislation in the South, as well as long-distance transports to bring its commodities to markets in the North.

So how can we use UBI to increase economic security for low-income households in the North without aggravating the North's exploitation of the South? How can we make sure that the new purchasing power in the North is not created at the expense of even more low-income households in the South—and of the planetary biosphere? This is where the idea of a complementary, special-purpose currency enters the picture. To make sure that more money for low-income households in the North does not add to the burdens of the South, it would have to be paid in a special currency that cannot be converted into cheap labor and environmental degradation on other continents. In this way, the aim of battling poverty and inequality at the level of nations in the North would converge with the battle against inequality and unsustainability at the global level.

In principle, the reform would be simple. A nation-state could issue a complementary currency that is digitally distributed to each citizen as an unconditional basic income, but that *can only be used to purchase goods and services produced within a specific geographical radius from the point of purchase*. The impact of this new currency would quickly generate a massive new demand for local produce, at the expense of long-distance imports requiring global transports yielding substantial carbon emissions. The demand for local produce would encourage local entrepreneurship and generate greater economic diversity, community integration, food security, and resilience. The reform would put a spanner in the wheel of globalization. It would combine the core idea of UBI—providing all citizens with basic economic security—with the aim of channeling consumption in sustainable and globally just directions.

There are many conceivable questions and objections. I have tried to respond to some of them

elsewhere.[1] The details can be worked out and are certainly not more troubling than continuing with business as usual. I want to emphasize that this proposal is not to be confused with a local currency scheme such as LETS or the Bristol Pound. Rather than issuing a local currency that can be used (in local shops) to buy commodities from anywhere in the world, this proposal suggests a national currency that can only be used to buy locally produced commodities. Defining what is "local" must of course be resolved (in relation to diverse local resource conditions), as well as how such goods and services are to be distinguished and marketed, but there is no dearth of good ideas on how to solve such practical problems. Transport certification (perhaps based on GPS technology) would no doubt be useful.

It is reasonable to ask how a special-purpose currency (SPC) like this could be made attractive to individual consumers, businesses, and authorities. For individuals, the reform would reduce dependence on wage labor and the risks currently associated with unemployment. It would also encourage social cooperation and a vitalization of community. For businesses, it would provide a diverse range of opportunities to cater to local markets. Their income could in part be used to purchase local labor and other inputs, in part to have some of it converted by the authorities to regular currency. The authorities, finally, would welcome the alleviation of financial pressure through reduced costs for social security, transport infrastructure, environmental protection, carbon offsetting, climate change adaptation, and other expenditures incurred by what is now business as usual. In the long run, such savings would more than suffice to finance the reform. To the extent that a proportion of social security payments are made in SPC, the reform would need to be designed so that everyone has adequate access to both currencies.

The bottom line is that a UBI, in order to radically challenge business as usual, would need to be paid in a special-purpose currency. It is the logic of all-purpose money itself, rather than some contingent feature of the "economic system," that ultimately generates inequality and environmental abuse. This logic remains just as destructive regardless of whether it is redistributed among households through measures such as UBI.

## Endnotes

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## About the Author

Alf Hornborg is an anthropologist and Professor of Human Ecology at Lund University. His research focuses on theorizing the cultural and political dimensions of human-environmental relations in different societies in space and time. His books include *The Power of the Machine*; *Global Ecology and Unequal Exchange*; and *Nature, Society, and Justice in the Anthropocene*. He has also co-edited several collections at the intersection of anthropology, environmental history, political ecology, and ecological economics, including *Rethinking Environmental History*, *The World System and the Earth System*, and *Ecology and Power*. He holds a PhD in cultural anthropology from the University of Uppsala, and has taught at Uppsala and at the University of Gothenburg.

# The Participatory Way

Antti Jauhiainen

With all countries struggling amidst the global COVID-19 pandemic, I would like to present a brief and admittedly limited view from a perspective of someone living under some of the best conditions provided by the state anywhere in the world. Finland still has a comparatively robust welfare state with the capacity and preparedness to act and respond to serious, nationwide situations endangering the health of its citizens. Precisely because of this, our current failings pinpoint problems of which other countries and areas should take note.

The most urgent failings are a lackluster response to the crisis as it deepens, especially the capacity to provide adequate protection to our most vulnerable citizens. Mental health and poverty are very often intertwined, and they are areas in which Finland has shown how inadequate even the most advanced welfare states are, and how much expansion and development is still required. The current available information shows that since the early days of the pandemic, the poor, those with mental problems, and those who lack strong social connections in general have been hit hardest by the limitations on daily life and drops in income.

Universal basic income (UBI) is no panacea, but in crisis situations it could provide a financial safety net that is more dependable than means-tested solutions. Finland has a highly automated and well-resourced national income register that can follow changes in income and taxes on a nearly monthly basis. Therefore, introducing progressive taxation and negative taxation to create the basis for a form of UBI is not a pipe dream here. It could target people in need much better, and such systems should be developed elsewhere as well.

So the basic setup for introducing a UBI exists already and should be used to help support the

part of the population that cannot earn income from the market. In all market economies, this group is considerably large, often around half of the population. In Finland, for example, 57% of the population does not go to a job, including the elderly, the young, students, and so on. A UBI can provide a quick safety net, but it obviously cannot provide the response and variance that wildly different life situations require. Maintaining and expanding existing benefits, both universal and means-tested, is the baseline for any proposal to improve the situation.

Introducing a UBI would increase the transfer and taxation of wealth without any adverse effect on the economy. In fact, it is precisely the kind of universal benefits and services that formed the backbone for the Finnish economy and enabled our rise to an affluent market economy from a developing nation we were not so long ago.

My main concern about UBI is that, as an automatic system, it fails to adapt to differing life situations. Finland has a serious issue with mental health problems, which affect nearly one fifth of the population. Nearly half of the unemployed suffer from a wide range of health problems, mental health being on of the most common. The financial security provided by UBI schemes would certainly help alleviate some of this, as well as lessen the impact of unemployment and precarious situations. But it would be a serious mistake to focus single-mindedly on introducing UBI, as necessary as that is, if it happens at the expense of wealth transfers, taxes, robust public services, and means-tested solutions.

In addition, introducing participatory elements and community-based, meaningful democracy would be essential to achieve a fuller picture of giving people the means to protect their own lives, improve the lives of their families, and build resilient communities.

Something along the lines of the participatory budgeting projects that already exist but created as a long-lasting sort of "UBI for the community" could provide people living in specific areas a steady stream of financing that they could direct as needed in their own district—improving housing, developing services, or even providing an increase in income for people in the area, to name just a few of the kinds of solutions that communities could come up with. It would be important to provide meaningful financial independence to these decisions, as well as robust tools for democratic decision-making, combining representative decision-making with systems of direct democracy.

To summarize, we should be cautious about being overly enthusiastic about most UBI schemes. Finland has experimented with them, with positive results even with the quite limited and partially flawed trials we have had. A UBI would provide important security and support to some, especially those with short-term precarious life situations. But it cannot provide the basis for financial support, nor can it (quite obviously) provide the kind of direct support and help that most people need during specific times in their lives, and some people throughout their lives. Therefore, improving benefits as well as introducing and supporting, with national programs, more participatory forms of economic decision-making and community-based, robust networks of solidarity would be the kind of crucial steps that would push welfare states forward. Means-tested, varied, and participatory forms of financial and social support should provide the basis for a strong social "launching pad" (safety net is the wrong word in many ways) for advanced welfare states of the future, and UBI should be part of that vision.

## About the Author

Antti Jauhiainen is an activist, author, and primary school teacher. He is a co-founder of Parecon Finland, a think tank focused on participatory economy and democracy. His articles on poverty, climate change, and the new economy have been published in the *New York Times*, *Jacobin Magazine*, and *Helsingin Sanomat*. He is the co-author of *The Welfare State Strikes Back*, which argues for the need for ambitious welfare states to kickstart the transformation to a sustainable, participatory economy.

# Public Money for a Public Purpose

Mary Mellor

Interest in a basic income seems to be growing, and there are many examples of exploratory experiments. The question is, is a basic income a route to a more socially just and ecologically sustainable society?

For Guy Standing, "a modest unconditional basic income" is "a necessary pillar of the reimagining of work and economic security." A basic income would help free people from unnecessary, exploitative, and environmentally destructive work. It would create an independent income for home-based women and provide an enhanced capacity for "care, craft, and community work."

Would a basic income scheme mount a fundamental challenge to the current market system? One of the benefits identified by Standing is that a basic income could enhance market participation by increasing the purchasing power of low-income households and encouraging entrepreneurship. This would seem to be promoting individualized economic activity rather than more community-based contribution.

The funding for a basic income would also determine how much of a challenge it presents to the market system. Standing avoids the problem of many proposals for basic income, which see funding coming from reallocating resources from the welfare state. Standing, instead, sees a basic income as a complement to robust universal public services to be funded by increased taxation on the rich, justified by the distorted and unequal patterns of inheritance and as "compensation of loss of the commons."

My criticism of this source of funding relates not just to Standing's proposal but to all

redistributive proposals that aim to tap into the wealth of the few. The rich should, of course, be taxed (and more so than they are now), but payment of these taxes should not be seen as the origin of money to fund social and public policies. The rich should instead be taxed on the basis of their benefit from historical and contemporary patterns of social injustice and inequality. The rich don't create money; they accumulate it.

If progressive social and public policies are assumed to be funded by taxing the rich, then the rich must always be with us; otherwise, a basic income and all other progressive proposals would have no source of funding. The rich will argue that they are entitled to their wealth because they provide people with jobs and generate the money to fund the whole public sector. This creates a Catch-22. The private sector must not be subject to high taxation because that undermines its ability to make a profit and thereby pay the higher taxes, but paying higher taxes would undermine their ability to create wealth—which then justifies continuing with lower taxes.

It is a myth that the private sector is the sole source of wealth and therefore money to fund the public and social sectors. As has been shown clearly in the 2007-8 crash and the recent pandemic, money can be publicly generated. As I have argued elsewhere, there are two sources of new money: state spending and bank lending.[1] Banks expand the money supply when they lend, and it shrinks as debt is repaid. States expand the money supply when they spend, and it shrinks when taxes are paid. However, ultimately, the sole source of new money is the public sector, which has the sovereign power to create and authorize it.

Redistributive proposals need to recognize the importance of the existence of the public capacity to create public money, whether through direct public spending or via central bank liquidity for bank lending. The public economy can thus be seen as funding the market economy rather than the market funding the state. Both the public and private economies are providing goods and services. Both pay taxes. Both contribute to GDP.

To avoid dependence on taxing the rich, basic income and other democratically identified public and social initiatives should be funded by new public money which should then be retrieved by taxation, including higher taxes on the rich. Progressive policies don't need the rich or profit-seeking growth.

A UBI is certainly preferable to welfare schemes that stigmatize the poor. But is it the best way to democratize and equalize our economy? We need robust public participation in the allocation of money, reconceptualized as a public resource. That might lead to a basic income, but it would also bring us far more.

## Endnotes

1. Mary Mellor, *Money: Myths, Truths and Alternatives* (Bristol: Policy Press, 2019).

## About the Author

Mary Mellor is Emeritus Professor at Northumbria University, where she was founding Chair of the University's Sustainable Cities Research Institute. She has published extensively on alternative economics integrating socialist, feminist, and green perspectives. She is a founding member of the newly formed World Economics Association and is on the editorial board of several journals. Her books include *Feminism and Ecology*, *The Future of Money: From Financial Crisis to Public Resource*, and *Debt or Democracy? Public Money for Sustainability and Social Justice*. She holds a PhD from Newcastle University.

# A Case of Wishful Thinking

Francine Mestrum

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 metamorphoses 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*.

# Toward Global Sharing

Adam Parsons

Guy Standing's opener lays out a cogent case for a universal basic income (UBI). Since the onset of the global pandemic, it is a policy proposal that has rightly received high-level political attention—not only within individual countries (such as here in the UK where it was at least debated by Parliament back in March), but also on the international level as endorsed by the United Nations. Never has there been such a need for providing an immediate, guaranteed, unconditional income to the world's poorest people.

Standing's essay is, essentially, a vision of a just society that ensures everyone has access to the basics for a dignified life. Crucially, his vision does not see a UBI as a replacement for all other forms of social support, or as a means to privatize what remains of welfare states. He also addresses the controversial issue of affordability: indeed, there is no *technical* reason why governments could not fund a full UBI through higher taxes on the wealthy, subsidy shifting, or even innovative solutions like a Commons Capital Fund. As Standing rightly points out, the pandemic has dramatically busted the myth that governments cannot afford to implement radical pro-social investments—the issue is one of political will, not cost.

The key question is whether it is *politically realistic* to expect governments to implement an alternative socioeconomic paradigm, with a UBI at its heart. In the midst of the deepening crises that Standing points to — extreme inequality, unbridled commercialization, climate change, militarization, authoritarian populism—can we expect establishment politicians to voluntarily "advance a progressive transition from rentier capitalism to a more just, ethical, and ecological economy"? As we know, the existing conditions of economic globalization lead to arace to the bottom in labor, tax and environmental regulation that militates against the financing of a strong safety net and universal social policies—let alone a generous basic

income for all citizens. However much we need a new income distribution system for the twenty-first century, the overall trends are increasingly moving in the wrong direction.

For these reasons, a huge amount of public support is needed behind the UBI vision if it is to stand a chance of being introduced as a transformative policy. If a UBI is to meet its egalitarian promises, it is also critical that public sympathy is based on the right altruistic motivation—to ensure, first and foremost, that everyone has "the right to live." But considering the vast scale of the humanitarian crisis today, is it premature to advocate for a visionary UBI solution while millions of people subsist in life-threatening conditions of poverty?

It is impossible to adequately confront this international emergency until enough ordinary people of goodwill embrace the United Nations's founding vision for basic human rights. This is why we call on people and groups everywhere to uphold Article 25 of the Universal Declaration of Human Rights—for adequate food, shelter, health care, and social security for all. We need massive, continuous, and worldwide demonstrations that petition governments to commit all necessary resources to prevent hunger and needless poverty-related deaths. With such a compassionate awareness on a global scale, we may finally see the intergovernmental cooperation and sharing of resources that is necessary to address this longstanding crisis.

As set out in *Towards a Universal Basic Income for All Humanity* by my colleague at Share the World's Resources Mohammed Sofiane Mesbahi, this unprecedented empowerment of the United Nations could eventually open the door to much more than an emergency poverty-relief program. It is also the way to diminish the undue influence of corporations over the policymaking process; to redirect military spending and other harmful subsidies; to cancel unpayable sovereign debts; to clamp down on tax avoidance and evasion practices; to spur the renegotiation of unjust trade agreements; to introduce new sources of international taxation; and much more. Indeed, how else can governments guarantee the basic rights of Article 25 unless they share the world's resources, and at the same time reverse the harmful pro-corporate priorities of the neoliberal era?

If we can seriously envision Article 25 becoming an enforceable law of human rights within the United Nations, then perhaps we can also envision the possibility of a UBI being debated by all member states *as a means for achieving this ultimate objective*. In other words, the idea of a truly

*universal* or world basic income is a hopelessly forlorn prospect until humanity embraces the cause of Article 25 for absolutely everyone on earth.

That would not mean creating a supranational transfer system of some variety, and distributing a certain amount of money to all the world's citizens via a centralized bureaucracy (especially not if it implies the creation of a world government). It would be imperative for sovereign nations to develop UBI systems democratically, and in accordance with their own specific means and domestic requirements.

But we may anticipate the need, someday, for member states to abide by agreed international laws of the United Nations that determine the general principles and standards of each domestic UBI scheme. A global solidarity fund may be required as a key part of such a treaty, which could assist those nations that need ongoing financial support to develop an effective UBI scheme (alongside the expansion of universal public services and other social benefits). Perhaps it may even be possible to finance such a fund via a "commons trust" on a global scale, as promoted by various pioneering thinkers.

For the time being, such thoughts are wishful thinking so long as humanity hasn't risen up for a fairer sharing of the world's resources. It is also a case of putting the cart before the horse if we solely advocate for a basic income within the context of affluent nations alone. The transformational vision of a UBI is a compelling and beautifully simple idea, representing one of the most tangible demands for economic sharing in our day. But that vision will only come to fruition if UBI proponents expand that idea to the common good of all, and thus join the cause for heralding Article 25.

## About the Author

Adam Parsons is the editor at Share The World's Resources (STWR), a London-based civil society organization campaigning for a fairer distribution of wealth, power, and resources within and between nations. STWR is a not-for-profit organization founded in 2003 with Consultative Status at the Economic and Social Council of the United Nations. He publishes and speaks regularly on global justice and environmental issues, focusing on food insecurity, urban poverty, and people's movements. He is the author of *Megaslums: A Journey Through Sub-Saharan Africa* and *The Seven Myths of Slums: Challenging Popular Prejudices about the World's Urban Poor*.

# The Case for Universal Service

Vicki Robin

In *Your Money or Your Life*, Joe Dominguez and I present an approach to earning, spending, and saving aimed at liberating the mind (spirituality), enabling creativity in need fulfillment (DIY, resourcefulness), and freeing time from paid employment (early retirement). Granted, it is a very Western, individualistic idea.

My observation is that people who have enough passive income to cover expenses (a self-created basic income) still have not solved the existential problem of what to do with their time. The work of being human is outside the money economy. Atomized individuals do not instantly gain communitarian values, a sense of service, a purpose. Is a universal basic income merely an income distribution strategy, or is it linked to the challenging, necessary conversation about "the good life"? It is the very amorality of money that lets us get through life still immature. UBI is a mechanism for the right to subsistence. The bigger task today is fostering social cohesion, a desire to participate in building a fair, equitable, sustainable, and liberating society and global community. The hill towards such shared prosperity without limiting entrepreneurship is getting steeper by the minute. Is our future merely coping? Unless a UBI is embedded in a more inspiring project, there will be a lot of quibbling about where the money comes from as well as class resentment toward people on welfare, the dole, and so on.

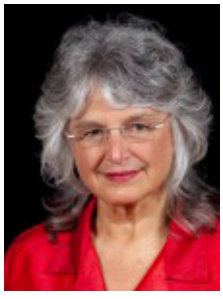
When I proposed that people on the path to financial liberation take on a shared political agenda that included UBI (which would selfishly shorten the years to liberation from the necessity of paid employment), few liked it because they would have worked hard for their financial freedom, and thought that others should have to pull themselves up as well—a libertarian mindset. However, when I coupled that with universal service, it was very palatable.

Although "universal service" is often talked about in terms of the military, that view is too limited. It could be ecological restoration, it could be social services, it could be apprenticeships, it could be growing food, or it could be environmental cleanup, a version of Habitat for Humanity, aging-in-place support, or even a self-created pathway of service. In the military, people learn a trade and then get lifelong benefits once they have put in their time. We can see examples of this, whether in the Depression-era Civilian Conservation Corps or in programs like AmeriCorps, Peace Corps, Vista, and free medical or legal education in exchange for serving underserved populations for a few years.

The side benefit would be mixing people from all classes and backgrounds into a shared experience which could have a similar benefit as military service: bonding, tolerance, and shoulder-to-shoulder camaraderie with people you would never know otherwise. Another side benefit would be basic training—not doing ropes courses, but filling in the holes in education and discipline—to provide greater readiness for life.

The universal service feature of a basic income would not need to be the only form of giving to society as well as receiving from society. People already in the workplace could fulfill service through something like the National Guard. The basic idea is joining the mechanism of UBI with the struggle by societies to form common cause and common values and restir in our hearts that brotherhood and sisterhood that gets people to hang together and work together.

## About the Author



Vicki Robin is a social innovator, writer, and speaker. She is the co-author of the international bestseller *Your Money or Your Life: Transforming Your Relationship With Money and Achieving Financial Independence*, and author of *Blessing the Hands that Feed Us: Lessons from a 10-Mile Diet*. She has helped launch the New Road Map Foundation, the Simplicity Forum, the Turning Tide Coalition, Sustainable Seattle, the Center for a New American Dream, Transition Whidbey, Your Money or Your Life Community, and Local Food Challenge.

# Author's Response

# Response to Comments

Guy Standing

In this brief response, it is impossible to do justice to the full breadth of comments. However, with thanks to all, I will respond to themes that seem most relevant to the Great Transition, with one exception—the proposal for a global basic income by commenters such as Andreas Bummel, Adam Parsons, and others. That is a dream for the day after tomorrow!

## Universalism, Individualism, and Means-Testing

Basic income is "universalistic" because it would be paid to all as a right, without conditions. That it would be paid "individually" does not make it "individualistic," as Mary Mellor fears. As Tim Hollo, Michael Howard, and Azfar Khan point out, universality encourages a sense of commonality, mutuality, and community through a shared experience.

Pilots in India and Namibia showed that basic income fostered solidaristic relations within families and collaborative endeavors among the community. That everybody had the basic income made people feel they were "citizens" of the community. In one Indian village, the basic income pilot led to the establishment of a fishing cooperative. In another, it led a group of families to pool some of their basic incomes to improve their neighborhood's sanitation. In another, it led to the establishment of a social committee to advise neighbors on how best to use the money for their families.

Key aspects of a basic income are that it is not means-tested (i.e., no income thresholds), unconditional (i.e., no work requirements), and "non-withdrawable" (i.e., guaranteed as a right)—a combination that Michael Howard notes makes a policy more politically sustainable.

One reason for the erosion of benefits for the "poor" in welfare states has been a shift to reliance

on means-testing and behavioral conditionality, fostering a discourse of "shirkers versus strivers" and undermining social solidarity. A basic income, unlike conditional means-tested schemes, also provides for *future* security because it would be a non-withdrawable right to a continuing and predictable income.

Along with Francine Mestrum, Anna Coote favors a "minimum income guarantee." She says it is not means-tested at the point of access and is thus non-intrusive. However, it would operate an ex post means test, requiring repayment from those who go on to "earn" over the minimum. One reason that this is "cheaper" than a basic income is that anybody wanting it would have to apply. Besides being complex and costly to administer, it would lead to a new poverty trap, high exclusion errors, and stigmatization.

Janine Berg and Lourdes Benería—among others—assert that a basic income alone is not sufficient. I never claimed that it was. No sensible advocate of basic income believes it is a panacea, that it could eradicate poverty, end neoliberal politics, and solve the environmental crisis. All we say i s that it would enhance income security and freedom, help reduce inequality and poverty, and ease the transition to an ecological society.

## Basic Income and the Environment

The links between basic income and the environmental challenges are fundamental and are "the decisive justification for a basic income system."[1] So, it is strange for Ian Gough to say that "green supporters of BI rarely advance a specifically green or environmental case. Guy Standing devotes only two paragraphs of his 2017 book to these questions." The book, in fact, includes a long section entitled "The Ecological Imperative" and sets out five principles by which basic income should be compared with alternatives, one being "The Ecological Constraint Principle."[2]

My book *Plunder of the Commons: A Manifesto for Sharing Public Wealth* argues that a Commons Capital Fund and Common Dividends (basic income) would enhance prospects of an environmentally sustainable society. This aligns with Ulrich Schachtschneider's proposal for an ecological basic income.

Of course, recycled eco-taxes, though desirable, will not of themselves produce a just transition to

what Jeremy Lent calls an "ecological civilization." As he, Tim Hollo, Michael Howard, and Caroline Whyte all note, sound ecological policies are needed in addition. This would be true of any social policy.

Halina Brown argues that, by increasing private spending on consumer goods, a basic income would increase environmental damage. This comes perilously close to saying that the poor should stay poor. But it misses the point. Those on low incomes benefit most from a basic income; they spend mainly on local goods and services with a smaller carbon footprint. Reducing the spending power of the wealthy reduces spending on expensive items, with a greater footprint.

## Work, Labor, and Commodification

Tim Hollo, Karen Foster, Sarath Davala, Simon Mair, and Caroline Whyte support another crucial claim, that a basic income would enable more people to gain greater control of their time and allow them to devote more time to forms of work other than resource-depleting labor in jobs.

Francine Mestrum and Halina Brown argue that basic income commodifies basic human needs by focusing on income rather than services. In the twentieth century, in line with this thinking, social democrats and state socialists shifted more and more of the social wage from money to cradle-to-grave quasi-universal basic services. This reached its extreme in the Soviet Union and in China's danwei (iron ricebowl) system. But basic security continued to be tied to current or past participation in the labor market. As Tim Hollo points out, a basic income, unlike services, would be truly transformative in helping to decommodify people, providing more opportunities for genuine self-direction.

Old-school social democrats refer to "an obligation" to labor, as Ian Gough does. This inevitably leads to workfare, pushing people into unwanted jobs, often with poor working conditions, in order to qualify for basic state benefits. By contrast, a basic income would help liberate people from dependence on the labor market and recognize the value of other forms of work. Jeremy Lent rightly says that "people have a fundamental need to engage in a livelihood that is meaningful…Work is not something people try to avoid; on the contrary, purposive work is an integral part of human flourishing."

In that context, Francine Mestrum claims that, by enabling people to reduce hours in paid jobs to care for children or elderly relatives, basic income "is a nice formula for saying that women should not get wages anymore." This is an odd way to describe the effect of giving people more choice in deciding how to balance paid work with care work. We know from basic income pilots that many recipients, men as well as women, have used the extra income to reduce hours in jobs and spend more time with their children, with benefits all round, while in both the Indian and Namibian pilots the basic income led to more women having independent economic activity.

Contrary to Mestrum's claim that "[a]ll [basic income] trials have been abandoned," all the pilots with which I have been involved began and ended as scheduled, as have others; many more are ongoing, as pointed out by Almaz Zelleke. Despite different designs and locations, all the experiments tell a consistent story: improvements in health, nutrition, and well-being—promising reduced spending on health care—while enabling people to devote more time to economic and social activities of their choice.

## UBS vs. UBI

Halina Brown, Anna Coote, Ian Gough, Anke Hassel, and others claim that "universal basic services" to satisfy "basic needs" would meet transition goals at lower cost than a basic income, which would divert attention and resources from public services. I, like most basic income advocates, favor universal public services. But what UBS proponents offer is not universal in any sense nor can it provide a substitute for cash.[3]

Consider, for example, the initial proposal from the UCL Institute for Global Prosperity. "Universal basic food" only entailed the state's provision of "one-third of the meals for the 2.2 million households deemed to experience food insecurity each year."[4] That is not universal. The proposals that were universal were hardly revolutionary. Universal basic transport turns out to be just free bus travel. The other basic services listed are free TV licenses, broadband, and child and elder care.

While these should be universally accessible, they scarcely cover the gamut of people's needs, many for which they require cash. As Tim Hollo notes, a basic income supports diversity and complexity. Current US experiments show that, apart from food and rent, basic income recipients use the money for such things as tuition fees, travel to visit aged parents, a child's birthday present, or a prom dress, all of which would have been foregone without it.

Moreover, the basic needs emphasized by UBS omit clothing. When the *bolsa familia*—Lula da Silva's path-breaking anti-poverty scheme—was introduced in Brazil, and equivalent provisions in our Indian and African pilots, among the first things recipients bought were decent clothes and shoes, enabling more girls and boys to go to school and more women to go out to jobs.

Cash gives people choices, even when free public services are available. Three-quarters of those eligible for free elder care under the much-admired German social care service opt for cash instead, even though it is worth less than the help available, because it gives them the flexibility to be looked after at home by family members or informal caregivers. Why do UBS proponents think they know best what people's needs are?

## Why Do Social Democrats Fear Basic Income?

Let me conclude on a question that has long puzzled me: Why are some on the left so viscerally hostile to basic income? After all, we are talking about something the left should welcome—giving everybody basic security with enough money on which to survive in extremis. Part of the answer is that they see the state as benign, to be trusted as a "provider" of services. Part reflects the hold of "laborism" over their imagination. UBS and job guarantees would prop up a labor-based economy, not help to transform it.

The objection made by several commentators that if people had a basic income, libertarians and the right would whittle away at its level reminds me of Albert Hirschmann's book *The Rhetoric of Reaction*, and his argument that every progressive idea is attacked on grounds of *perversity*, that it would endanger other goals. Once introduced, that objection fades. It was an argument used by defenders of slavery: if slaves were freed, their material living standards would decline because their masters would not feed them.

In response to fears raised by Leah Hamilton and Anke Hassel, among others, I agree with Michael Howard that if we are politically strong enough to usher in a basic income, we should be strong enough to defend other progressive policies. The case for a basic income does not depend on hypotheticals. It rests on the ethics of transition towards a commons-based society.

## Endnotes

1. Guy Standing, *Battling Eight Giants: Basic Income Now* (London: Bloomsbury, 2020), 37.

2. Guy Standing, *Basic Income: And How We Can Make It Happen* (London: Penguin, 2017).

3. Guy Standing, "Why 'Universal Basic Services' Is No Alternative to Basic Income," *Open Democracy*, June 6, 2019. This is elaborated as Appendix C in *Battling Eight Giants*.

4. UCL Institute for Global Prosperity, "IGP's Social Prosperity Network publishes the UK's first report on Universal Basic Services," press release, October 11, 2017.