

Review of **Basic Income by P Van Parijs and Y Vanderborght**

Harvard University Press, 400 Pages, March 2017

by

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Van Parijs and Vanderborght's recent volume is an extensive summation of the evolution and current state of Basic Income philosophy. Well-received in academic circles, but perhaps rather too weighty to appeal further beyond, *Basic Income: A Radical Proposal for a Free Society and a Sane Economy* is unlikely to find space between *Freakanomics* and *A Brief History of Time* in airport bookstands, in spite of its ramifications touching every element of global society.

There are many variations and definitions of the Universal Basic Income (UBI), and the authors discuss them at length, along with development of historical thought regarding universal alms, a notion that pre-dates the Reformation. In short, and for the purposes of the book's analysis, a UBI here is considered to be an income, paid in cash at intervals, available to all defined members of a society. The level of income and the regularity of payments, and even the age or geographical dispersal of payments, are all considered flexible to the point where they have some ability to lift the poorest out of poverty.

The purpose of this income is both simple in concept and grand in scale; the authors believe a UBI will "stem our anxieties and strengthen our hopes". These anxieties stem from a growing global crisis of income inequality, driven by automation, globalization, and the polarization of wages between the swelling masses of "have-nots" and an ever-dwindling pinnacle of "haves".

That payments should be made in cash, rather than in the form of foodbanks or vouchers, is widely supported empirically through studies of the development of "alternative currencies" such as food stamps or cigarettes in prisons. Cash payments are also of the most benefit to the middle-classes, who can use the income to upgrade their foreign holidays, or purchase increased leisure time to write reviews of Basic Income books. These cash payments are not means tested (although may be taxable), so are available to anyone considered members of a society. The authors' definition is anyone who is in "fiscal residence" within a society. "Undocumented migrants" will not be eligible, so

presumably will still be available for jobs too “lousy” to be viable in a UBI society.

Importantly, the UBI is also free of obligation. There is no requirement or incentive to engage in any activity other than for your own well-being, whether that be through the intrinsic pleasure of the activity (such as reviewing Basic Income literature), or through additional economic incentives (being paid to write reviews of Basic Income literature).

The authors review alternatives to the Basic Income such as Negative Income tax, Guaranteed Employment (also known as Employer of Last Resort), and Working Time Limits. More detailed consideration is given to market-based, neo-liberal solutions, than anything involving legislation or direct government intervention.

It’s in the cursory review of other schemes that the free-market, neo-liberal underpinnings of UBI are subtly revealed. Guaranteed Employment barely warrants a few paragraphs, as the main objection appears to be that “If the job is given to people as a matter of legal right within the framework of a guaranteed employment scheme” it would lose all “evidence that time, effort and skills are valuable to society”. Government work schemes, by their nature, are worthless it seems, but private subsidised hand car washes are supremely valuable.

A major objection to UBI schemes is what economists refer to as the “Free Rider Problem”. Classically, this concerns the funding of public services, such as street lighting, which cannot easily be excluded from those who do not contribute. Therefore, it is argued, the incentive will be for everyone to cease contributing. A strictly economic solution is either that the service is not provided at all, or that the service is funded through some form of compulsory payments such as taxation. Alternatively, sufficient individuals in a society simply accept that some will be “free riders” and contribute anyway out of altruism.

The authors assert that, although a free rider issue may exist in that some recipients of UBI choose not to use their new-found freedom to contribute to society, these “scroungers” are sufficiently few in number, and the benefits of UBI so overwhelming that the free rider concerns will not scupper the project. However, research in Psychology and Organisational Behaviour - notably absent from the book - would seem to contradict the belief that altruism will always win the day. Recent research from Professor Adam Grant (Grant, 2014) suggests that around 19% of the population are in the “Takers” category - individuals who will obtain benefit from a system without any concomitant

need to contribute. This is well beyond the “small minority” suggested by the authors, and sufficient to make a UBI scheme politically vulnerable in the medium term - particularly as 56% are in the “Matcher” category who demand others contribute in effort as much as they do (ibid.). Other research into notions of “fairness” and group bonding similarly support the hypothesis that human societies need to see evidence of an individual’s contribution to the whole in order to avoid resource conflict. From chimpanzees to 3 year olds (Hamann 2011, Paulus 2016), the perception that an individual is taking from the group without giving back is a source of resentment and conflict. Far from removing the social stigma of the unwaged, a UBI will actually reinforce it.

The definitions of the terms “work” and “contribution” are clearly crucial to the debate as we move towards a more automated society. The authors make a valuable and impassioned plea that work which is traditionally undervalued, such as childcare or homemaking, should be recognised as valuable activity. However, this discrimination applies irrespective of whether a UBI is in place or not. Consider that in the UK, income support paid to unwaged mothers is still a source of emotional political debate, but government-backed subsidies to pay women to look after children who are not their own is not. We would argue that, in this case, it is the role of motherhood as an economically valuable state that is in question, and, under a UBI, “unwaged single mothers” are as likely to be stigmatized as “scroungers” under the current system.

In a society where production of physical goods is likely to become increasingly automated, activities which could be defined as “socially productive”, such as care for vulnerable persons, improving the environment, and cultural pursuits, could take greater prominence. This shift already appears to be developing in Japan, where in this case a scarce supply of human labour has led to increased use of automation for low-skill impersonal tasks, while maintaining workers for jobs requiring human dexterity, or a charming smile, such as operating a department store elevator.

Also notably absent from the discussion is the role of the global economy. We are all just krill in a neoliberal ocean, to be devoured or spat out by global corporate whales. Firms can move jobs wherever they see fit, and any attempt by the populace to redress the balance of power will be met with disaster. “Where the level of remuneration is and remains firmly protected by minimum-wage legislation, collective bargaining, and generous unemployment insurance, the result tends to be massive losses of jobs.” In the volumes of references back-

ending this book, this sweeping statement is unreferenced, perhaps so firmly implanted in the neo-liberal world-view it is one of the few points that doesn't need to be supported by quotes from Locke, Friedman or Gibran. A UBI widens access to unpaid internships for the young - this is actually presented as a benefit - with no questioning of the moral or legal basis for this modern corporate indenture.

Corporations, it seems, are permitted to move jobs and production around the world without fear or consequences, whereas nations introducing a UBI, as the authors very reluctantly admit, may be forced to introduce "protection against selective immigration". UBI simply allows the corporate state to continue running the show. Surprisingly, the authors suggest that support among business for a UBI is not widespread, quoting a German high-street store owner as a major UBI advocate. From a corporate perspective, as long as the populace has sufficient disposable income to purchase goods, a UBI is unnecessary. Any support from corporations is therefore a simple cover for lack of the wage growth within corporations necessary to support consumption.

Basic Income is a sales pitch dressed up as an academic work. Half the book is references and endnotes, many of which are oblique at best. The hot air balloons on the cover accurately foretells what is contained within.

A UBI is a neo-liberal, corporate solution to the human destruction caused by unfettered market forces of globalization. It's a City banker taking a fortnight in Goa and proclaiming his discovered "spirituality" by wearing a Kalava, yet still trading wheat futures.

Grant, Adam. 2014. *Give and Take: Why Helping Others Drives Our Success*, W&N, London.

Paulus, Markus. 2016. It's payback time: Preschoolers selectively request resources from someone they had benefitted, *Developmental Psychology*, Vol 52(8), 1299-1306

Hamann, Katharina; Warneken, Felix; Greenberg, Julia R.; Tomasello, Michael. 2011. Collaboration encourages equal sharing in children but not in chimpanzees. *Nature* 476, 328-331