

An income of one's own: a radical vision of welfare policies in Europe and beyond

Ingrid Robeyns

In this article, I discuss a radical proposal to combat poverty and unemployment: the establishment of a state-funded 'basic income' for every citizen. This would be independent of sex, age, need, family responsibilities, or employment status. Here, I outline the basic income proposal, and the debates in the countries where it is currently being discussed. This proposal is not only of interest to the richest countries; southern countries are also interested in it as a method of combating poverty. I discuss different arguments put forward for a basic income, and relate these to ethical and moral questions. I also discuss ways of financing the proposal. Finally, I ask whether a basic income is a desirable policy for women, or whether additional concerns can be raised from a gender perspective.

Not all social activists and academics support the way in which Western European welfare states are developing. If we scratch beneath the surface of the affluence in Western Europe, we still encounter people who are excluded from society. Despite the abundance of material wealth in those countries, some people live on the street or in poor housing. Every winter, some people die because they cannot pay for heating. Several million children and adults live in relative poverty; while they are unlikely to die from hunger, they are, nevertheless, excluded from playing a full part in society. At the same time, Western European countries have high average standards of living. Inequality is thus an ever-present problem, and in most western countries, notably the UK and the USA, economic inequality has risen in the last two decades (Ackerman *et al.* 2000).

Since the oil crisis of 1973, one of the most pervasive social problems in Western Europe has been long-term unemployment,

especially among low-skilled workers. This unemployment is termed 'structural' because, due to changes in the economy, it becomes very difficult for the unemployed to find jobs. Due to technological innovations and the process of economic globalisation, whole industries that once flourished in Western Europe, for example textile manufacturing, have perished. Many jobs for low-skilled people have vanished. The wages paid to low-skilled employees in Europe were many times those now paid to workers doing similar work in emerging industries in southern countries. Because of this, many low-skilled European workers are now unemployed, and lack real prospects for a job in the future.

Problems with the welfare state

Fortunately, the unemployed in Western Europe are protected from starvation or extreme destitution by the welfare state. In most of those countries, poor people have a

right to a guaranteed minimum income, and unemployed people to 'unemployment benefits' – regular payments in lieu of income from labour.

However, those welfare states were designed after World War II (1939-45), in a time that was rather different to today's context. There were sufficient jobs for low-skilled people, and unemployment was low. Many jobs were secure for life, hence job insecurity was not a real worry. Women and men conformed much more to a traditional gender division of labour with husbands providing income, and wives caring for children and the household. Families were much more stable, in the sense that divorce and separation was relatively rare.

All this has changed now, and governments in Western Europe widely acknowledge that welfare state reform is urgently needed. Most governments have reacted by subsidising wages of low-skilled employees, or lowering social security contributions for the lowest-skilled. When employers of low-skilled workers pay lower financial contributions to the state system of social security, then the cost for these employers to hire such workers is lowered, which should result in more low-skilled workers being employed. At the same time, some governments have made payment of unemployment benefits more conditional upon someone being willing to retrain for another occupation, and/or willingness to accept any job they are offered. Such shifts in policy are justified by the claim that most people feel that there are limits to solidarity, and that reciprocity should be the core value underlying the welfare state. In other words, only those who have contributed (or are willing to contribute) deserve help if they are in need.

Finally, most of the welfare systems are not only job-oriented, but also means-tested: only people living in poverty who cannot fall back on the income of other household members, and who are in

material need, are eligible for minimal income support. They receive a low minimum income from the state to protect them from absolute poverty (Ackerman *et al.* 2000).

Basic income: a radical counter-proposal

The radical alternative proposal states that every person should receive a basic income, independent of her or his social and employment status, sex, level of need, work history, willingness to work, and so on. This would be an individual grant, with other household members' incomes not taken into account. This basic income should ideally be high enough to sustain a decent living for all, although the concrete proposals allow for an introduction at a lower level, which is then gradually increased over time.

Ending the unemployment 'trap'

One of the major arguments in favour of basic income, especially in comparison with job-centred policies (or 'workfare') and means-tested welfare schemes, is that it could enable society to eradicate a number of unemployment and poverty traps. For example, if an unemployed person finds a job with a wage that is close to the level of the unemployment or welfare benefits, she does not improve her financial situation significantly by taking the job and losing the benefits. Thus, she is 'trapped' in her unemployment (Groot and van der Veen 2000a). Moreover, means-tested benefits are applied to the joint income of all members of the household, so that if one member of a household takes a job another may lose their benefits. Schemes in several countries do not allow benefit-holders to learn a new profession, take up training courses, or sometimes even to engage in voluntary work. Hence, in some welfare states, poor or unemployed people are trapped in a passive situation where

legislation discourages them from taking a job or engaging in other socially useful or productive activities (ibid.).

Strengthening the bargaining power of workers

Basic income schemes could also reduce unemployment without worsening poverty by counteracting the poverty created by the current tendency to make labour markets more 'flexible'. In reality, 'flexibility' means that more people are now working on short-term contracts, and/or in unstable and insecure jobs. Employers have argued that they need to be able to lay-off workers more easily if their firms want to compete and survive in a global market. However, individuals and their families are under great pressure from the job and income insecurity (and, sometimes, exploitative conditions) that this emphasis on flexibility creates. A basic income could help to secure workers' incomes, and strengthen their power positions. Unconditional basic income would give employees more financial independence from employers, resulting in increased worker power to demand decent working conditions. It would also make it more feasible for employees to accept jobs when employers cannot pay higher wages due to global competition.

Reclaiming freedom

The philosophical and ethical contributions to the basic income debate stress the importance of giving people more real freedom to live their lives in the way they wish, without being forced to take any kind of alienating, exploitative, or degrading job just to survive, and without sacrificing their social and political autonomy in order to achieve economic security. At this ethical level, basic income can easily be linked with the conceptualisation of development as an enlargement of people's freedom, which has been forcefully advocated by Amartya Sen (1999).

A basic income would give a worker the

choice to refuse a job which is unpleasant, more freedom to temporarily reduce hours of working to take care of children or sick relatives or friends, or to take a sabbatical if she or he felt the need to stop rushing through life. A basic income would also give people more freedom to do long-term unpaid work, such as caring for children or voluntary community work.

Promoting equality and solidarity

The underlying view of most basic income advocates is that one has the right as a citizen of society to be provided with minimal financial means. A basic income is then one of the material aspects of economic citizenship, just as the right to vote is one of the material aspects of political citizenship.

A basic income would entail lower economic inequality, as a result of wealth redistribution. Because of this, it would require commitment and solidarity from those who possess skills and capacities that are well-paid in the labour market, and those who have no constraints preventing them from holding down a job, such as disabilities or care responsibilities. As discussed later in this article, if basic income is financed by taxation, the relatively affluent will pay more taxes that will be redistributed towards the poor, the unemployed, housewives, and others. In these times of rampant anti-tax sentiments, one could ask why people would be willing to do so.

It can be argued that the largest share of one's labour income is only made possible by stable and co-operative societal structures and institutions, and by the talents that the individual does not deserve, but is simply lucky to possess. No Western European can morally claim to own what she earns on the labour market, since Europeans are born into a well-organised society which is the result of the collective effort of others – in both the current and previous generations. In other words, most of the current wealth in Western European societies only exists because people have been co-operating for

centuries and are still doing so. Moreover, the Western European countries' wealth has also got roots in their colonial past, and this wealth is now protected in the post-colonial era by their position of relative power in the inter-national political and economic system. A good example is the emissions of pollutants by consumers in Europe and – especially – the USA, which contribute to global warming affecting southern countries. Rich consumers perpetrate the majority of the environmental damage, while the poor bear the costs in terms of increased risk of flooding and desertification.

There are many ethical problems related to inequality and the moral duty of solidarity that are seldom publicly addressed on a local and a global level. However, if we start thinking about these issues, proposals that appear unrealistic at first sight, including basic income, start to make much more sense.

What does basic income mean for gender equality?

Where do gender issues fit into proposals for basic income proposals? In the 1990s, most of the publications on basic income were gender-blind: it was simply assumed that basic income would be a good policy for women, because they constituted the majority of the poor and because it would entail that housewives would get an income of their own. However, in public discussions it was often argued by feminists that a basic income might send women back home, leading to unintended negative consequences for women's emancipation. A gender analysis of basic income proposals shows that a gender analysis of basic income is quite complicated (Robeyns 2000).

Beyond market work

The current social security systems only protect the citizenship rights of people

with access to formal paid employment. This excludes people who are primarily responsible for caring for children, the sick and frail, and the elderly. Carers are, in the majority of cases, women. Hence, a crucial advantage of a basic income for women is the fact that it challenges the idea that the basis of citizenship is paid work, and acknowledges that all citizens are entitled to the social and economic rights of citizenship (McKay and VanEvery 2000).

However, it is unclear whether establishing a basic income would lead to a revaluation and recognition of unpaid work, since a basic income would also be paid to people who do not make any social or economic contribution.

Because of this, a 'participation income' may be preferable to a basic income. The difference between a participation income and a basic income is that a participation income is conditional upon being engaged in socially useful activities: working, looking for a job, caring for children, elderly, and ill people, doing voluntary work, or undertaking (some forms of) study (Atkinson 1996). The underlying ethos explicitly claims that all people who do socially valuable work or activities have the right to a minimum income.

The gender division of labour

Some feminists have been sceptical about one aspect of basic income: its effect on the gender division of paid and unpaid work. They have argued that a basic income would reinforce the traditional gender division of labour. Some evidence does support this worry (Robeyns 2000). Some recently-implemented social policy measures – for example, *premia*, a career interruption in Belgium – are mainly taken up by women. *Premia* are incomes paid by the state, for a maximum of three years, to workers who want to leave their jobs temporarily. Women most often leave their job to raise small children, whereas men leave because they want to try to start an

independent business, or use the time as a transitional stage to early retirement.

These and other studies suggest that if a basic income is implemented without other measures that try to redistribute unpaid work, it will probably strengthen the traditional gender division of labour.

Recognising women's diversity

Moreover, a gender analysis of basic income also points at the need to acknowledge women's diversity. For women who do not work outside the home, and who have no intention to do so, a basic or participation income means an increase in their financial independence. However, if a woman lives with a husband or partner who would like her to stay at home, a basic income may work against her in the couple's decision-making process over the division of market and domestic work.

For many other groups of women, the results are ambiguous and difficult to forecast (Robeyns 2000). It seems that a basic income would be especially supportive for those women who are most economically vulnerable, whereas better-skilled women who have found lucrative formal employment might be disadvantaged by the reinforcement of traditional gender roles that a basic income could promote.

'Participation income' as part of a package

Of course, ensuring a basic income does not create restrictive and unequal roles for women. Neither is basic income a magical formula that could immediately end socio-economic gender inequalities. As Martha MacDonald (1998) has argued, the challenge is to meet women's practical needs in their day-to-day responsibilities, without undermining their strategic interests in changing unequal gender relations. Most western feminists want a revaluation and a redistribution of unpaid work. While a participation income will lead to revaluation, evidence suggests it

will not lead to work redistribution. Therefore a participation income should be part of a larger package that also tries to redistribute paid and unpaid work, and make gender roles more equitable. This package could include an active policy to combat gender discrimination on the labour market. It could also work to change the culture of the labour markets. This cultural change would take place in order to create a normal situation where every worker is also a carer, and acknowledged to be so; to challenge gender stereotypes in the media; and to introduce social policies enabling all men to experience full-time caring on a par with women.

The feasibility of funding basic income

One of the major objections against the basic income proposal is that it would be financially unfeasible, because financing it would mean raising income tax to such a high level that tax evasion would increase dramatically, people would be discouraged from working, and the whole system would break down.

A possible tax source other than incomes is ecological taxes, such as a carbon tax, (a tax on the emission of carbon dioxide gases in the production processes and in some consumption processes, e.g. car and aeroplane use). Of course, a carbon tax makes a great deal of sense in itself, given the urgent need to cut greenhouse gas emissions to counter climate change and global warming. But the UN conference on global warming in The Hague in November 2000 has shown that the core problem is the lack of political willingness to tackle this problem. While people¹ remain unconvinced of the need to cut emissions, there will be insufficient political pressure on political leaders to impose this tax (McCarthy 2000).

Another suggestion is to finance a basic income with the revenues of a tax on

short-term international financial speculation – the so-called Tobin Tax. Like the carbon tax, the Tobin Tax has goals that are independent of generating revenue. These are to discourage financial speculation, and to protect national economies from the effects that speculation can cause in commodity markets. A group of experts analysing the idea of the Tobin Tax (Ul Haq, Kaul, and Grunberg 1996) has concluded that the feasibility of the Tobin Tax is much more a political than a technical issue.

Financial and business interests with considerable political influence would lobby to oppose both of these taxes. However, if the political will were there, financing a basic income would certainly be feasible in rich countries, and, if it was supplemented with a genuine commitment to global redistribution, perhaps even in all countries. Several international development NGOs are currently supporting the introduction of a Tobin Tax, where the revenues should be used to provide basic food, housing, education, and health provisions for all.²

Partial measures

It is true that the implementation of a basic income at subsistence level is not a policy option for tomorrow. But there are some things to keep in mind when discussing the feasibility of basic income. A large basic income should be seen as the ultimate end goal of basic income advocates. This can only be reached gradually, by implementing partial measures. One such partial measure could be to give generous benefits to a selected group of citizens out of the labour market. Examples would be:

- an unconditional basic pension for senior citizens, which exists in the Netherlands and is discussed in several countries, such as France and Brazil (van der Veen and Groot 2000);
- paid parental leave for employees, which has recently been implemented

in several European countries (Rubery *et al.* 1999);

- the 'voluntary ecological year' for young people in Germany (personal communication).

Universal measures at a low level

Alternatively, governments could introduce an (almost) universal benefit, pegged at a very low level. This is exactly what has been done in the Dutch tax reform of 1 January 2001. All adult residents (except students, who are entitled to a students' bursary), will be given an individual refundable tax credit of 1507 Euro, about US\$1400 (Groot and van der Veen 2000b). While the level is tiny in comparison with the cost of living in the Netherlands, it will allow policy makers and researchers to analyse how people respond to this tax credit, and what its effects on poverty and inequality are. Also, it might pave the way for increasing the level of this tax credit in the future.

Visions of basic income in the South

Basic income is not just an idea of interest to the richest countries. The goal of providing all with the basic requirements of life has impelled southern countries to develop social policies. For many, constructing a welfare state along western lines is seen as the ultimate goal of development. However, developing countries are also able to see the negative side effects of the current welfare states in Europe. Some countries, including Brazil, are therefore seeking a way to introducing a welfare state that combats poverty without increasing unemployment.

In 1991, the Brazilian senate passed legislation on a guaranteed minimum income. A Brazilian senator, Eduardo Suplicy, had proposed it (Suplicy 2000). In September 2000, 1620 municipalities signed agreements to implement a guaranteed minimum income programme.³

In some municipalities, this programme is targeted at poor families with children under 14, who receive support as long as they send their children to school. For Suplicy, these are all steps towards the ultimate goal of instituting an unconditional basic income in Brazil.

Brazil is not the only southern country where basic income is being discussed. Policies inspired by, or related to, basic income schemes are currently also being discussed in Argentina and South Africa.⁴ In South Africa, a group of researchers from the Economic Policy Research Institute (Samson *et al.* 2000) have argued that a basic income might foster a 'virtuous circle', in which growth and socio-economic progress go hand in hand. In this view, income support leads to lower poverty and increased productivity, which in turn generates higher growth, resulting in further reductions in poverty.

Conclusion

Is the vision of basic or participation income a crazy vision of an impossible ideal? The idea is certainly idealistic, and part of the aim of those who advocate it is to foster a discussion on a long-term vision of how society can become fairer and better for all (for example, see Van Parijs 1992). Ultimately, whatever its degree of idealism, the idea of basic income forces us to think about work, jobs, and justice, and about what we owe to each other – not only on a national, but also on a global scale.

A basic or participation income is not a socio-economic policy that can be implemented overnight. It requires a dramatic shift in our expectations of what we are entitled to, and what society owes to its citizens. A recent edited book discussing the viability of basic income shows that the real feasibility problems of basic income and participation income are not so much financial or economic, but political and moral (van der Veen and Groot 2000).

Several analyses show that in the long run, a basic income might be a better social policy than subsidising low-skilled work or a 'workfare' policy. But in the short term, job creation by the government is more effective in reducing poverty and unemployment simultaneously. Under the pressure of frequent elections, it will be difficult to persuade governments to work on a long-term strategy of basic income.

For women, basic income is definitely more promising than policies of 'workfare' (where the goal is to do everything to get people into jobs, making people ineligible for benefits as soon as there is a possibility for them to have a job). Workfare focuses exclusively on getting women into formal employment, whereas basic or participation income schemes acknowledge the worth of unpaid caring work, and extend economic citizenship rights beyond participants in the formal labour market. A participation income policy would work even more strongly in women's interests, since it could contribute to a genuine revaluation of unpaid work. At the same time, women would benefit most if such a policy could be implemented together with policy measures that combat gender inequities and challenge gender roles. I would defend this 'package' as my favourite vision for a gender-just society.

Ingrid Robeyns is currently writing a PhD on socio-economic gender inequalities in the UK at Cambridge University. Address for correspondence: Wolfson College, Cambridge CB3 9BB, UK.

E-mail: ir214@cam.ac.uk

Notes

- 1 Especially in the USA, where four per cent of the world's population is causing 25 per cent of the carbon emissions, and where the political will to make dramatic cuts to emissions seems to be small.

2 For example, '11.11.11', the coalition of the Flemish North-South movement, is currently lobbying to persuade the Belgian government to put the Tobin Tax on the political agenda during its presidency of the European Union (July–December 2001). See <http://www.11.be>

3 See Suplicy (2000) for details.

4 A full annotated bibliography on basic income, with a description of national developments, can be found on the website of the Basic Income European Network (BIEN), at <http://www.etes.ucl.ac.be/BIEN/bien.htm>

References

- Ackerman, F., Goodwin, N., Dougherty, L. and K. Gallagher (eds.) (2000), *The Political Economy of Inequality*, Washington DC: Island Press.
- Atkinson, T. (1996), 'The case for a participation income', *The Political Quarterly*, 67(1), 67-70.
- Groot, L and R. van der Veen (2000a), 'How attractive is a basic income for European welfare states?', in R. van der Veen and L. Groot (eds.) (2000).
- Groot, L and R. van der Veen (2000b), 'Clues and leads in the debate on basic income in the Netherlands', in R. van der Veen and L. Groot (eds.) (2000).
- MacDonald, M. (1998), 'Gender and social security policy: pitfalls and possibilities', *Feminist Economics* 4(1): 1-25.
- McCarthy, M. (2000), 'America demands something for nothing, but the world needs an end to its hot air', *The Independent*, 27 November 2000.
- McKay, A. and J. VanEvery (2000), 'Gender, family and income maintenance: A feminist case for citizens' basic income', *Social Politics* 7(2): 266-84.
- Ul Haq, M., Kaul, I., and I. Grunberg (eds.) (1996), *The Tobin Tax. Coping with Financial Volatility*, Oxford: Oxford University Press.
- Rubery, J., Smith, M., and C. Fagan (1999), *Women's development in Europe*, London: Routledge.
- Robeyns, I. (2000), 'Hush money or emancipation fee? A gender analysis of basic income', in van der Veen and Groot (eds.) (2000).
- Samson, M., Babson, O., MacQuene, K., van Niekerk, I., and R. van Niekerk (2000), 'The Macro-economic Implications of Poverty-reducing Income Transfers', South Africa: Economic Policy Research Institute.
- Sen, A. (1999), *Development as Freedom*, Oxford: Oxford University Press.
- Suplicy, E. (2000), 'Towards a Citizen's Income. The Advancement of the Battle in Brazil', paper presented at the 8th International Basic Income Conference, Berlin, 6-7 October 2000. Downloadable at http://www.etes.ucl.ac.be/BIEN/BerlinCongress/Berlin2000_papers/papers.htm
- van der Veen, R. and L. Groot (eds.) (2000), *Basic Income on the Agenda. Policy Objectives and Political Chances*, Amsterdam: Amsterdam University Press.
- Van Parijs, Ph. (ed.) (1992), *Arguing for Basic Income. Ethical Foundations for a Radical Reform*, London: Verso.
- Van Parijs, Ph. (1995), *Real Freedom for All. What (if anything) can Justify Capitalism?*, Oxford: Clarendon Press.