

The First Congress of the USBIG Network, March 8-9, 2002

Sessions and abstracts

1A SESSION: History of BIG, Part I

Fred Bock, “Basic Income and the Shadow of Speenhamland.”

The analysis of the "Speenhamland" era of the English Poor Law has had a surprisingly important influence on recent social policy debates in the United States. This paper reviews that influence and analyzes a large body of scholarship on the English Poor Law between 1795 and 1834 produced by economic and social historians over the past four decades. While sifting through this evidence is complex, the basic conclusion is that recent scholarship has undermined the Speenhamland stories told by social policy analysts from a variety of theoretical perspectives. The paper concludes with an account of how the initial Speenhamland story played a critical role in the development of the tradition of Classical Economics.

John Cunliffe, University of Central England, and **Guido Erreygers**, University of Antwerp, “Inheritance and Equal Shares: Early American Views”

The idea that each young adult is entitled to an equal capital endowment funded mainly from inheritance taxation constitutes the core of the recent 'stakeholding' proposal advocated by Ackerman & Alstott. In our paper, we trace some intellectual antecedents of this liberal-egalitarian position. The idea of equal initial endowments is neither novel nor original. Specifically, we examine three cases drawn from American writers in the first half of the nineteenth century. The first and least developed case was presented by Cornelius Blatchly in 1817; the second, and more comprehensive case was presented by Thomas Skidmore in 1829; and the third intriguing case was presented by Orestes Brownson in 1840. Each of these writers argued that equal opportunities required equal starts. In their view, the existing inheritance regimes perpetuated and accentuated a strongly unequal division of individual wealth, which therefore violated equal starts and jeopardised equal opportunities. Accordingly, they called for a drastic reform or even abolition of private inheritance, suggesting alternative mechanisms to disperse the value of the property of the deceased so as to secure equal starts and thus to promote genuine equal opportunity. Although there is no easily identifiable transmission of intellectual influence between the three writers, we draw attention to a common and possibly shared background provided by the views of Jefferson and Paine on intergenerational issues.

Walter Van Trier, Catholic University of Leuven, "Who Framed 'Social Dividend'?"

This papers spans the period from 1917 to 1986 – a period in which ‘social dividend’ was commonly used to refer to policy-proposals implying an unconditional payment as of right to all and everyone. This episode closed in 1986 with the First International Conference on Basic Income consolidating the use of ‘basic income’. It opened nearly 70 years earlier when G.D.H. Cole - Oxford professor, former Guild socialist and later intellectual leader of the Fabian Society – constructed the name ‘social dividend’ to refer to the Scheme for a State Bonus, put forward in 1917 by the Quaker Dennis Milner and his wife. Following the traces of ‘social dividend’ through this episode from 1917 to 1986, one will encounter economic heretics (like Major C.H. Douglas or J.A. Hobson), members of the Cambridge Circus (like Joan Robinson or James Meade) or important participants in the debate on the economics of planning (like Abba Lerner).

1B: THE ETHICS OF BIG, PART I

Karl Widerquist, the Educational Priorities Panel, “Who Exploits Who?”

Gijs Van Donselaar uses a novel definition of exploitation (A exploits B if A is better off and B worse off than either of them would have been had the other not existed) and a series of two-person examples to demonstrate that an unconditional basic income can be exploitative and to make the case that everyone has both a right and responsibility to work. This paper considers Van Donselaar's version of exploitation, his related concept of the abuse of rights, and the argument against basic income derived from them to show that he has not demonstrated any necessary relationship between these concepts and a social obligation to work: People can receive an unconditional income without exploiting others; a social obligation to work can punish people who are not exploiting others leading to Pareto-inferior outcomes; and a social obligation to work can in fact cause the kind of exploitation he believes it will cure.

Almaz Zelleke, Independent Scholar, "Basic Income in the United States: Redefining Citizenship in the Liberal State"

The debate over welfare provision in the U.S. is currently dominated by those who argue that work is central to citizenship, and thus that welfare should be conditional on willingness to work. This understanding of the importance of work to citizenship is shared both by these mainly conservative American theorists, who argue for _selective_ work requirements (for recipients of welfare only), and by some European socialist critics of an unconditional basic income who argue for _universal_ work requirements. American advocates of basic income must articulate an alternative conception of citizenship that is more consistent with the liberal, capitalist American tradition if basic income is to earn a place on the policy agenda. This paper suggests the outlines of such an alternative understanding of citizenship.

Al Sheahan, GAIN Publications, “Does Everyone Have a Right to a Basic Income Guarantee?”

Simply because one exists, one is entitled to certain inalienable human rights – life, liberty, and the pursuit of happiness. To secure these rights, everyone should be guaranteed a minimum income by the Federal Government -- enough for food, shelter, and basic necessities.

1C: BIG FUNDING OPTIONS

Jeffery J Smith, Geonomy Society, “BI- Brought to you by the people in the environmental movement”

In recent years, cutting-edge environmentalists have with ever greater frequency called for sharing rent, as does Alaska with oil revenue, and sharing the rental value of using the environment as a dump site. Proposals such as the Sky Dividend by Peter Barnes (founder of Working Assets) draws more attention and support than the usual income redistribution schemes of most BIGists. And since most great fortunes are founded on the venerable recipe of "privatize social values and socialize private costs", as the environmentalists go about shifting taxes and subsidies, paying dividends instead of funding corporate welfare, they will reverse the concentration of wealth, leaving smaller, individual pools for wannabe BIGists to tax and redistribute. Collecting and sharing rents - which is not redistribution but predistribution (sharing rent before an elite or state has a chance to mispend it) - has more fundamental advantages over sharing incomes (no matter how gotten). By shifting taxes and other charges off production, onto pollution, extraction, and speculative withholding, greens grow the economy in sustainable ways, generating even more rent for sharing via a Citizens Dividend. And because it's natural values that are to be shared, not one's income, this CD skirts the psychological obstacles that hold back BIG. Alaskans would never relinquish their oil dividend, while other peoples may yet copy this model, once urged by Paine and Jefferson and other sons of liberty, making cross-spectrum outreach possible.

Stephen Clark, "Funding a Basic Income Guarantee Considering Size, Political Viability, and Pipeline."

Before addressing the issue of how to fund a BIG, one must consider the requirements and dimensions of such a fund. The numbers are large, and the pipelines are enormous for anything that becomes universal. George McGovern's unwillingness to address the mathematical equation of \$1,000 times every man, woman and child in the country dropped the issue off the chart for over a generation. But let's look at it now, and accustom ourselves to the size of the numbers so that when we talk about them, we won't be shocked, and our discussion will be informed. I must admit ahead of time that I will probably present things in a manner that will make my suggestions seem the only obvious solution, but I will work against this.

Myron Frankman, McGill University, "Funding a Planet-Wide Citizen's Income: Trial Calculations"

The case for the early implementation of a global income guarantee (GIG) rather than programs that reinforce the privileged position of those living in the rich countries and (likely) widen the gaps between rich and poor countries is briefly stated. Also briefly stated is my view that can be summarized as "Global Democracy or No Democracy". I then go on to provide trial calculations showing the feasibility of a GIG at levels of taxation which may be moderate enough to convince those wishing to protect some measure of privilege that a GIG would be cheaper than the escalating costs of personal and collective security arrangements.

2A: HISTORY OF BIG, PART II

Richard K. Caputo, Yeshiva University, "FAP Flops: Lessons Learned from the Failure to Pass the Family Assistance Plan in 1970 and 1972?"

A basic income program, known as the Family Assistance Plan (FAP) nearly became national policy twice during the Nixon Administration, guided primarily by the efforts of then domestic policy advisor Daniel Patrick Moynihan. FAP died two deaths, the first in 1970 when the Senate Finance Committee voted 10 to 6 against it and again in 1972 when Congress passed the “Social Security Amendments of 1972,” legislation aimed at reforming welfare, minus the FAP-related provisions, in part by creating Supplemental Security Income (SSI).

Drawing on both primary and secondary source material, this paper will explore several themes identified in the Call for Papers in an attempt to draw lessons from the failed attempts to pass FAP in 1970 and 1972. It will examine the politics involved, particularly in regard to opposition from the more liberal constituencies like the profession of social work and the National Welfare Rights Organization, as well as the more conservative constituencies like the Southern Democrats.

The paper will also explore the technical issues involved and show how the Nixon Administration grappled with portended labor market effects in light of equity-efficiency tradeoffs, exemplified in its attempts to devise a benefit formula that would not discourage work yet prevent destitution. In doing so, the paper will place FAP in historical context, describing the climate of opinion at a time of much social change in the US, the end of the 1960s and early 1970s, and contrast that with the contemporary climate of opinion in light of the ascendancy of market-based principles in domestic policy.

The paper will view FAP as a serious but flawed attempt to change welfare at the time and as a logical precursor to passage of the Personal Responsibility and Work Opportunity Act in 1996 that in effect ended federal responsibility for many families with dependent children. Lessons will be drawn to guide contemporary efforts to obtain public support to place the notion of a basic income on the Congressional Agenda and to secure its passage through Congress and Presidential approval.

Al Sheahan, GAIN Publications, “Why not Guarantee Everyone a Job? Why the Negative Income Tax Experiments of the 1970s were Successful”

“Work” has been virtually everyone’s solution to poverty for hundreds of years. But it’s not the answer. This is the hardest concept to sell to citizens and policy makers. In 1969, the President’s Commission on Income Maintenance Programs spent a lot of time and research on this issue. They concluded that guaranteeing an income is better, cheaper, and more desirable than guaranteeing everyone a job. They made a convincing case.

2B: THE POLITICAL ECONOMY OF BIG, PART I

Nicoli Nattrass, University of Cape Town, and **Jeremy Seekings**, University of Cape Town, “The Political-Economy of a Basic Income Grant in South Africa”

During the apartheid era, labour market and welfare policies were racially biased and premised on the existence of full-employment (at least for whites). Starting in the mid-1970s, the system gradually deracialised, culminating in the transition to democracy in 1994. This process extended labour-market protection and a greater degree of income security to many African people. However, as this coincided with high and rising levels of unemployment, new holes in the welfare system emerged. Means-tested child-support and old-age pensions provide support to the indigent young and elderly. But there is almost no support for those who are of working age, but cannot find employment. For this reason, there are growing calls to extend the welfare net to cover such individuals. One proposal is for a 'basic income grant'. But while there is widespread support for such a grant, there is little agreement yet as to how the additional tax burden is to be distributed. The paper will review the current debate, placing it in an historic and socio-economic context.

Charles M. A. Clark, St. John's University, "Basic Income: Promoting Social Justice in a 21st Century Economy"

Social Justice requires both equity and efficiency. In the 20th century this was promoted via the Welfare State. The dynamics of the "new economy" make this an increasingly difficult task. Basic Income, it is demonstrated, is a way to promote both equity and efficiency in the context of a globalized economy.

Steve Shafarman, of the Citizen Policies Institute, "Beyond Left vs. Right: A New Political Discourse"

With most issues or problems, left liberal policies rely on government programs; from the right, conservatives are typically anti-government, insisting that markets and private enterprises are more reliable and efficient. With Citizen Dividends, we can guarantee everyone's economic security while minimizing government's involvement with markets, private enterprises, and the lives of ordinary citizens. And there's a second way Citizen Dividends can transform political discourse: Liberals and conservatives currently want government to provide or create jobs; that will no longer be necessary when everyone has enough income for food and shelter.

2C: EMPIRICAL ISSUES OF POVERTY, INEQUALITY, AND EFFICIENCY

Irwin Garfinkel, Chien-Chung Huang, and Wendy Naidich, all of the Columbia University School of Social Work, “Effects Of Tax Rebates on Poverty and Income Distribution”

Despite years of public concern, debate, and even outrage, little has been done to improve the conditions of the poor in this country. The fact is that programs aimed directly at poor people via income-testing have done little to alleviate poverty. These programs are stigmatizing to use and create a disincentive for work. Non-income tested programs, on the other hand, such as social security, have been highly effective in lifting people out of poverty as well as in serving non-poor people. In this paper, we consider one non-income-tested method that has the potential to reach large numbers of poor people-- the tax rebate. Tax rebates are a method of guaranteeing a minimum income by providing broad-based cash transfers in which transfer payments are made to individuals and families without regard to income or wealth. A fixed amount of cash is paid out by the government to each family in the country. The amount of the payment depends only on demographic criteria, such as age.

Through a series of microsimulations, we tested the effectiveness of different tax rebates, which focus on different demographic groups such as adult, children, or single parents, in removing people from poverty, in reducing the poverty gap, and in redistributing income among the population. The results suggest that tax rebates decrease poverty more effectively than the current system. This highlights the fact that some of the benefits in the current system, such as tax expenditures favor the rich instead of the poor or the middle class. All the tax rebate plans redistribute income from the highest quintiles to the lower ones. Tax rebates not only more equitably distribute income among the quintiles, but the distribution of benefits is more equitable within the quintiles, particularly for people in the first quintile.

The different tax rebate plans have different effects on poverty and income distribution. Among them, the Adult Plus Plan is the most redistributive of the plans. It decreases the poverty rate of persons most significantly, and favors the first three quintiles, instead of only the first quintile. The Adult Plus Plan, however, is not self-financing. The states must contribute the equivalent of a proportional tax on income of 0.0548 to finance the plan. Thus, losers' mean decreases in the Adult Plus Plan are the highest among the plans. In contrast the Children Plus and the Single-Parent Plus Plans are self-financing and more focused on children and the first quintile. The disadvantage of the Children Plus Plan is that it may be too pronatalist. In our judgment, it is not. Similarly, the Single Parent Plus Plan, by rewarding single parenthood, may encourage its growth. If the Single Parent Plus Plan is achieved via a child support assurance system, however, it will do more good at less cost and will have smaller effects on single parenthood than simply increasing benefits for all single parents. These refinements, however, should not obscure the basic lesson. Tax rebates are a good fundamental building block for the modern welfare state.

Ed Wolff, "Recent Trends in Living Standards in the United States"

The media are aglow with reports of the booming economy and rising prosperity in the United States since the early 1990s. Indeed, the run-up in stock prices between 1995 and the end of 1999 has created the impression that all families are doing well in terms of income and wealth. This, however, is certainly not the case. As I shall demonstrate, most American families have seen their level of well-being stagnate over the last quarter century.

Steven Pressman, Monmouth University, “Guaranteed Incomes and the Equity-Efficiency Tradeoff”

Any guaranteed income plan is open to the objection that the program itself will hurt economic incentives and therefore economic efficiency. Arthur Okun probably expressed this tension best in the title of his well-known book Equality and Efficiency: The Big Tradeoff. One attempt to test and measure this tradeoff, the income maintenance experiments of the 1980s, found that guaranteed incomes provided significantly work disincentives, especially for married women, and discouraged marriage. These social experiments are generally regarded as the death knell for the negative income tax and other guaranteed income programs in the US. This paper will take another look at the big tradeoff between equality and efficiency. It will do this by employing an international perspective. First, using the Luxembourg Income Study (LIS), the redistributive efforts of 11 nations will be examined. The LIS is a microdata set containing income data for a large number of countries over a 20-year time period. National redistributive efforts will be measured by comparing the factor incomes (before any fiscal efforts) and the disposal incomes (after the impact of government spending and taxes) of low-income households. It will be argued that the difference between these two notions of income is a good measure of the extent to which different nations guarantee incomes at any point in time. Countries will be ranked based upon their redistributive efforts. Next, the paper will look at several measures of efficiency (productivity growth, unemployment rates and inflation rates) for these countries and examine whether there is any correlation between these measures and national redistributive efforts that maintain the incomes of those in the bottom part of the distribution. It will also examine whether, within a particular country, there are differences in redistributive effort over time and whether these changes are correlated with any change in efficiency. As expected, the US makes the smallest redistributive efforts, followed by Canada; the Scandinavian countries, again as expected, make the greatest redistributive efforts. Preliminary data, and the analysis of this data, indicate no relationship between national redistributive efforts and the three main measures of efficiency. In addition, within individual countries, there appears to be little relationship between redistributive effort and macroeconomic efficiency. The paper concludes that, within the parameters of current redistributive efforts taken throughout the developed world, there is no big equity-efficiency tradeoff and no efficiency argument against income guarantees. Whether such a tradeoff exists, and the magnitude of that tradeoff, when redistributive efforts are greater than what is currently employed, remains an open question.

3A: HISTORY OF BIG, PART III

Brian Steensland, Princeton University, “Defining Welfare: Media Depictions of the Struggle over Guaranteed Income, 1966-1980.”

This media study examines depictions of guaranteed income policies in the New York Times and other media outlets between 1966 and 1980 (a period including debates over Nixon's Family Assistance Plan and Carter's Program for Better Jobs and Income). Patterns in these media depictions demonstrate there was little consensus in the 1960s and early 1970s over the goals of welfare reform and the proper means of attaining them. Over the course of the 1970s, the heterogeneity of ways in which welfare reform and guaranteed income policies were portrayed evolved into a more homogenous depiction of welfare reform as having the dual goals of fiscal management and the regulation of work behavior. These two goals disfavored guaranteed income policy as a reform strategy. This decade-long evolution occurred through the marginalization of particular social groups from national debates, the passage of related legislation, and intellectual shifts among policy makers regarding the role of the welfare state.

Bob Harris, "The Guaranteed Income Movement of the 1960s and 1970s"

The 1960s saw great activity in the development of American social policy. Long-standing programs were modified and expanded, and much new legislation was passed. A civil rights revolution took place, and providing equal access to the American Dream for all was placed in a prominent place on the political agenda. In addition, a war on poverty was declared and the goal of eradicating rather than ameliorating poverty was established. Areas of sizable program expansion of particular interest to the poor included cash transfer programs, education, housing, and health financing programs. The purpose of this paper is to briefly review the major proposals that were put forward during the decade of the 1960s, to relate the nature of the debate over programs and strategies, and to assess its legislative aftermath. To do so it is necessary to briefly trace the development of the programs in need of reform, since the system was developed over a long period, following a strategy laid out in the 1930s. Section II of this paper provides such an outline. Section III outlines the criticisms of the income security system of the '30s that developed during the debates, and the split which developed among "liberals." The congressional struggle over a specific reform plan is outlined in Section IV, leading up to the death of President Nixon's Family Assistance Plan in 1972. An Appendix outlines many of the reform ideas of the 1960s, and a number of comprehensive plans put forward in this context.

Buford Farris, St. Louis University, "Was it only a Dream: Guaranteed Income through the eyes of a Sixties Poverty Warrior in Texas"

This paper will present how the concept of a Guaranteed Income as a way to end poverty became a major focus of organizing and projects for a community center working with Mexican Americans in San Antonio, Texas. Early in the Sixties, the center developed a comprehensive gang work project that was directed at the total neighborhood. This project led the agency to become increasingly involved in Welfare Rights in a state where the welfare system is one of the worst in the nation. We then became involved with growing efforts throughout the country to support a guaranteed income as public policy. At one point, we almost received funding for a experimental project with different forms of guaranteed income combined with different types of services directed at the Mexican American population.. In this paper, several areas are analyzed as to why these efforts failed. One reason may have been the lack of labor union support for a guaranteed income. Also, Richard Rorty points again to another factor involving the focus of many of the movements in the sixties as being on "cultural politics" rather than "redistributive politics," When, I began teaching in the academic arena in the seventies there was very little support for the War on Poverty and related issues even among sixties activists who had been primarily involved in the Anti-War Movement.

3B: THE ETHICS OF BIG, PART II

Amy Wax, University of Pennsylvania Law School, "Something for Nothing: The Liberal Case Against Welfare Work Requirements."

In 1996, Congress repealed the Aid to Families with Dependent Children (AFDC) federal poor relief program and replaced it with Temporary Assistance for Needy Families (TANF), which includes new strict time limits and mandatory work requirements for all able-bodied recipients. As I have argued in previous work, TANF embodies a paradigm of "conditional reciprocity" under which the collective, through government, undertakes to aid only those individuals who are willing to make a reasonable contribution to their own economic support.

The idea central to welfare reform -- that the "quid pro quo" for public assistance is the willingness to perform some kind of gainful activity -- is virtually unquestioned in the political arena, but has not received unequivocal support in the academy. This article examines the currency of this popular idea within one type of academic discourse: liberal political theory. Specifically, it investigates whether liberal theory can shed light on the question of whether just societies should require work as a condition of public assistance for the able-bodied, or whether aid should be provided unconditionally through, for example, a basic guaranteed income for all. The focus of the discussion is on the objections commonly voiced against unconditional income guarantees -- that they "exploit" workers, license "free riding," unfairly favor idle freeloaders over upstanding, industrious citizens, run contrary to sound notions of "desert," and violate basic principles of social reciprocity. Drawing on the work of John Rawls, Philippe Van Parijs, Ronald Dworkin, Andrew Levine, and Liam Murphy, and others, the article investigates whether the analytic frameworks established by standard liberal theories of justice can help make sense of these standard objections. Of particular interest is whether any definitive conclusions about work requirements or unconditional public assistance can be derived from the widely accepted starting points for conceptions of just societies, such as

equal dignity, individual moral autonomy, equal initial shares, luck invariance, and rational self-interest.

The article concludes that, although the work of different liberal theorists offers valuable perspectives and insights into the normative question of whether societies should provide minimal financial support to all, a definitive answer remains elusive. Any notion that transferring earnings from workers to able-bodied non-workers is “unfair,” “unjust,” or exploitative of others is difficult to derive from the fundamental building blocks for liberal formulations of just societies. Rather, arguments about the fairness or unfairness of placing conditions on the redistribution of resources tend to smuggle in underived, foundational assumptions that rest on their own intrinsic appeal. If these commitments are indeed *sui generis*, they must either command our assent or fail.

The article concludes by drawing on an evolutionary analysis, explored somewhat in previous work, of the popular view that forgoing work requirements licenses unfair “free-riding.” The previous work speculated on the psychological origins of the widespread tendency to classify recipients of public aid as “deserving” and “undeserving” and to express moralistic disapproval of collective generosity towards those defined as “undeserving.” After reiterating the suggestion that these normative attitudes may originate in the adaptive advantages enjoyed by cultures that discourage free riding on collective resources, this paper examines the implications of this conjecture for theories of justice and most especially for the development of contractarian approaches that are so dominant in the liberal arena. It concludes that the ambivalence of liberal theories towards the “reactive attitudes” that underlie ordinary persons’ intuitions about justice and fairness, reflected in the equivocal and ambiguous treatment of those attitudes within the reigning theoretical frameworks, yields few determinate conclusions about the specific question at issue: whether a just liberal society should forbid, permit, or require work as a condition of public assistance.

Roy Morrison, independent scholar, “A Framework for Justice and Fairness”

This paper will consider, first, justice and fairness as an essential part of the work of democracy and ecological transformation, and examine freedom and community as an accessible point of entry. Second, it will present a framework for justice and fairness as a detailed policy plan based on a balance of rights and responsibilities, that is, a negative income tax and universal national service.

Michael W. Howard, The University of Maine, “Liberal and Marxist Justifications for Basic Income”

In this paper I consider several objections to the proposal for the proposal for a basic income (i.e., the idea of an unconditional guaranteed income for all residents). First, some argue that, contrary to the argument of Van Parijs, a basic income will violate liberal neutrality; liberal neutrality requires means testing and/or willingness to work as a condition for income guarantee. Second, others, particularly Marxists, argue that a basic income undermines work as a condition of human dignity and happiness, perpetuates alienation, mitigates the social costs of capitalism without addressing the root causes of those costs, perpetuates unemployment, and is exploitative of workers. I will consider the extent to which these arguments can be met while accepting the moral principles on which they are based.

3C: BIG AND THE ALTERNATIVES, PART I

James B. Bryan, Manhattanville College and the Institute for SocioEconomic Studies, “Did the U.S. Welfare Reforms of 1996 and the Expansion of the Earned Income Tax Credit Eliminate the Need for a Basic Income Guarantee?”

The 1996 welfare reforms and the expanded Earned Income Tax Credit in the U.S. have been pronounced outstanding successes by Washington legislators. The jury of academic scholarship has not rendered a final verdict but, to date, has given mixed reviews. The popular view, which has anointed the reforms and the EITC successful, makes the political case for the BIG in the United States much more difficult. Before Sisyphus can resume his task in the current climate, a clearer contrast between the effects of the BIG and those of the current program regime must be articulated.

In the tradition of microeconomic policy analysis, this paper will provide a detailed review of the ways in which the 1996 reforms and the expansion of the EITC have changed:

- the distribution of income among the poor and near-poor in the U.S.;
- the incentives faced by the poor and near-poor family members to participate in the labor market; and
- the estimated labor market responses of the poor and near-poor.

Following this review of changed incentives and of the literature on their labor market effects, inferences will be drawn about the differences that would occur if a Basic Income Guarantee were substituted for the bulk of existing programs. Specific reference will be made to the National Tax Rebate proposal that has been put forward by the Institute for SocioEconomic Studies.

Steve Shafarman, Citizen Policies Institute, “Ending Hunger, Homelessness, and Debilitating Poverty: Comparing BIG and other approaches”

Living wage campaigns have been fairly successful in recent years, a period of relative prosperity. Yet wage and job programs only help a small percentage of workers; for the unemployed, a BIG or something similar is still necessary. Moreover, wage and job programs involve continuing government interference in the market, which is why conservatives are so opposed. And as Peter Drucker noted in his 1949 book, *The New Society*, when workers most need assistance is during a recession, when money is less available and campaigns are more difficult. Though Drucker opposed wage and job programs, he called for a "predictable income plan" similar to a BIG. Conclusion: We should celebrate the successes of living wage campaigns and work together for a BIG. Then, with everyone empowered by a BIG, we should insist that all workers receive living wages.

Stephen Bouquin, CNRS-Laboratoire G. Friedmann, and **Catherine Levy**, Université de Picardie (Amiens) – France, “Social minima a part of recommodification of labour? Critical assessment concerning the tendencies towards basic income”

The research is based on more than 250 interviews in four countries of the EU (France, UK, Germany, Belgium) and analysed the way social minima are nowadays part of employment policies and not only social policies (active social welfare state, activation of passive benefits). By dissociating work and income, some of the measures stimulate a cumulation of incomes from work and from social security system. The benefit system is under transformation both on the level of the definition of social rights as in their concrete use and effect on the labour market. The state is therefore more and more in charge of populations whilst the active citizens (as tax payers) are pushing towards a conditionality of benefits while the employers can rest upon the existence of wage-subsidies without any conditionality. We observed how benefit-users are enclosed in casual or non statutory work, sometimes with compliance (workfare programs) but also by themselves, trying to enhance their immediate financial situation. Whilst the effects of these measures are not necessary unidimensional, at least they do not oppose the recommodification and segmentation of the labour force which translates itself in flexibility, bas working conditions, insecure life. The proposal of a radical basic income should, in our view, take into account these facts. In a context of (mass) unemployment, long term unemployment, scarcity of jobs, basic income may have the same effect as during the Speenhamland period in UK: reducing at the same time wages and poverty. The liberal and neo-classical views on economy and work should therefore be critically revised.

4A: ACTIVISTS ROUND TABLE

Participants will not be presenting papers in this session.

4B: THE POLITICAL ECONOMY OF BIG, PART II

Walter Van Trier, “Do Firms Need to be Third Places for Jobs to be (Public) Good(s)? Remarks on André Gorz’s recantation of the second cheque strategy and his adoption of basic income”

Since the early 1980's, André Gorz has been a key figure in the European movement for the reduction and redistribution of work time. In his most recent book, *Misères du présent Richesse du possible*, he recants this long held position and explains why he now favours a reform strategy based on the implementation of an unconditional grant or basic income. The first section of this paper documents why the arguments for basic income in *Misères du présent* cannot be accepted as conclusive neither with respect to countering the former arguments against BI nor with respect to countering the former arguments in favour of a strategy of working time reduction and redistribution. The second section presents the theoretical framework of Gorz' (former) arguments rested and explains the importance of making a difference between 'employment' and 'work' (or 'labour') and of conceiving of 'jobs' as 'civilizing devices'. The third section looks at two possible ways of understanding Gorz' approach to jobs, comparing them to 'third places' (Lash) or 'sources for recognition' (Walzer). The fourth section documents why Gorz considers the 'post-fordist regime' as inimical to 'good jobs' or 'jobs as being (publicly) good' and looks at the empirical base of this claim. The fifth and final section does what final sections are supposed to do, i.e. it concludes.

Michael Lewis, "Perhaps There Can Be Too Much Freedom"

Philippe Van Parijs' and Bruce Ackerman and Anne Alstott's basic income proposals are intended to promote real freedom. Yet, they do so in different ways and the differences have led Ackerman and Alstott to argue that their stakeholder grant version of the basic income would be more real freedom promoting than Van Parijs' version. This paper argues that once one considers some relatively frequent "real world" decision-making patterns, there appear to be grounds for questioning Ackerman and Alstott's conclusion regarding the relative merits of stakeholder grants and Van Parijs' version of the basic income.

Thierry Laurent and Yannick L'Horty "Static vs. Dynamic Inactivity Trap on the Labor Market: Revisiting the 'Making Work Pay' Issue."

Theoretical and applied theories on gains for returning to employment and the economic policy recommendations they inspire in setting up social benefits essentially derive from a static approach. We suggest a dynamic evaluation of these benefits taking into account the inter-temporal nature of arbitration by the unemployed and the impact on the return to employment on future employment perspectives. In this dynamic framework, which includes workers' mobility between jobs, we show that the existence of a weak monetary gain upon return to employment is neither a necessary nor a sufficient reason to explain the existence of a problem of incentive or equity. The recommendations of economic policy are thus modified. In order to make work pay, it is more than a matter of reforming social programs: priority must also be given to ascending professional mobility through policies supporting growth and policies that play an active part in the job market. Temporary assistance in returning to the job market can be just as effective as permanent mechanisms inspired by income tax reduction devices, as well as less costly for public finances.

4C: BIG AND THE ALTERNATIVES, PART II

Chair: **Fred Block**

Jerold Waltman, University of Southern Mississippi, “The Basic Income Guarantee and the Living Wage: A Comparative Anatomy”

This paper begins with the thesis that the BIG and the living wage are designed to accomplish identical objectives, the elimination of poverty, the reduction of inequality, and the restoration of dignity to all citizens. The question, then, is one of strategy. We can unpack this matter into two specific questions: 1) Which is more likely to garner the political support necessary for adoption? and 2) Does one have policy advantages over the other? I will argue, first, that the available survey data demonstrate that there is much more political support for a living wage than a BIG. Second, I will maintain that the living wage also has certain policy pluses on its side. One is that it does a better job of assuring dignity to each citizen as he or she relates to other citizens. By tying the cash payment one receives directly to work done, a living wage assures that no citizen can ever look another one in the eye and say "I am supporting you." Another is that a BIG will be subject to the vagaries of governmental budgetary processes. On this terrain, as the recent income tax cuts clearly demonstrate, the poor usually lose. To be sure, a living wage will also be subject to political battles, but the issue can at least stand alone. Finally, a living wage is more sensitive to the value of work as a good in itself. There is a growing literature that points to the conclusion that in fact there are individual and social gains to be had when work is encouraged.

In short, if we want to assure a certain income floor for all citizens, the living wage would be preferable to the BIG.

Barbara R. Bergmann, American University and University of Maryland, “A Swedish-Style Welfare State Or Basic Income: Which Should Have Priority?”

It is argued that the establishment and funding of a Swedish-style welfare state, with state provision of a long list of "merit goods" plus targeted cash payments to those in special circumstances, has a higher priority than large cash payments to all citizens, as called for in the Stakeholding and Basic Income proposals. An analysis of the Swedish budget shows that advanced countries cannot do both at once, given current levels of per capita income. Other problems with a near-term rapid introduction of large universal cash payments include the disincentive to work for pay, which would reduce per capita income and make the problem of financing such payments through taxation even more acute, the probable retrograde effects on gender equality, and a reduction in the power of parents vis-a-vis their teenage children. After the achievement of a well-established welfare state, rises over time in productivity may gradually open up room in the national budget for universal cash payments. Such payments, if the country then wishes to make them, could be phased in slowly as the room appears.

Karl Widerquist, the Educational Priorities Panel, "Wage Subsidies and/or Income Guarantees."

Edmund Phelps, in his book *Rewarding Work*, makes a case for wage subsidies as an alternative to the American welfare system arguing that work-based redistribution will reduce poverty and build stronger communities. This paper compares this wage subsidy plan, not to the existing welfare system, but to another reform—the basic income guarantee. This paper argues that each of the reforms have benefits to offer, and either may be preferred depending on the goals of the reforms.