

## ***Working with an Elegant Idea in a Messy and Chaotic World:***

### ***Thoughts on Real-World Implementation of Basic Income***

Address to NABIG Conference, NYC, 28 February 2015

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#### **Introduction**

My remarks below focus on two questions for the BI movement.

First of all, I will discuss what I call “general strategy and ethical imperatives.” These address the need for an overall plan to move forward, a medium to long-term strategy that is moored to a set of ethical or moral principles – “red lines” as De Wispelaere (forthcoming) calls them – that we do not want to transgress in working to achieve an acceptable version of BI in our particular political community.

Secondly, I will suggest a number of more short-term and immediate “practical considerations” that are helpful to bear in mind as we try to make progress in the here-and-now towards the implementation of a basic income on our own political terrain, wherever it may be, and as we respond to changing and complex challenges and opportunities that we experience on this journey.

#### **General Strategy and Ethical Imperatives**

It is important to identify as our goal in the political struggle for BI not just BI for its own sake, but the ***achievement of a version of BI that decreases social inequality and enhances social justice.***

I would suggest three useful guideposts in working toward a such a version of BI:

- 1) Always bear in mind the four underlying ‘ethical principles’ that we strive to attain in BI implementation:

*universality*: BI covers everyone, including permanent residents who are not citizens, and the imprisoned (BI benefits for incarcerated persons can be directed to support of their families and/or a trust account that is make available upon release)

*adequacy*: brings everyone as close as possible to the poverty line, without jeopardizing the overall fiscal health of the state or endangering other important social spending priorities other than BI. To ensure fiscal sustainability of BI for everyone, consider a refundable tax credit model OR tax-back provisions for the economically comfortable if BI is paid out as a demogrant.

*unconditionality*: no coercive conditions upon receipt of the benefits (e.g. mandatory work or proof of “participation”). However – ways might be found to incentivize desirable, socially adaptive behaviours by paying out a “basic benefit plus” income for school completion, life skills or job entry programs, trades training, post-secondary education, treatment of dysfunctional conditions, etc.)

*individual autonomy*: give individuals the means of exiting abusive relationships with spouses or parents, or membership in oppressive religious or cultural communities

- 2) Situate BI within a broad framework of equality-enhancing social programs that includes *both*
  - a) income support and protection measures (the overall tax and transfer system) *and*
  - b) social services and supports that are non-monetary (universal health care, affordable and social housing measures, early childhood education and care, family support, community development programs, mental health and addiction treatment, etc.)
  
- 3) Always ask ourselves this question: Will a specific proposal for BI leave the economically marginalized better off OR worse off, when all of the intended and foreseeable unintended consequences are taken into account? A subset of questions can be asked in this regard:
  - a) How will the proposed new program be paid for?
  - b) Will money be taken from other income support or social service initiatives?
  - c) Will a BI initiative provide the political rationale to cancel an existing or proposed health or social support that will have broad benefits?

## **Pragmatic Considerations**

*Some practical matters to consider in advancing towards the goal of an ethically acceptable form of Basic Income program that is achievable politically:*

### **1. Coalition Building**

Build a broad but coherent coalition that embraces those with whom you share at least a ‘thin’ commitment to the four BI principles outlined above. Over time, see if you can build a “thick” commitment among key players in a power bloc that have a realistic chance to bring about policy change with a sitting government.

- Build bridges with more than one political party (or at least with sympathetic individuals within political parties that have not supported or prioritized BI)

- Work with a variety of constituencies (realizing there may be division of opinion within certain constituencies) e.g. labour, women’s organizations, green movement, poverty activists, etc.
- Bring Indigenous people in. There are harbingers of ‘basic income’ in collective ownership norms; community distribution and sharing ethic; individual annuities and dividends paid from sources such as Treaties, land claims and resource development agreements, returns on Tribal businesses)

Celebrate and normalize those BI components that are already in place (OAS/GIS for seniors, CCTB/NCB for families with children, GST rebate for low income individuals, WITB for the working poor)

- Emphasize the contribution of these programs to lowering poverty among specific groups to which they are targeted
- Decide who can work with and who you *cannot* work with in the broad camp of BI supporters
- Does Charles Murray have reconcilable views on BI with Stanley Aronowitz? (rhetorical question: debate held at the 2013 NABIG Conference)
- It makes sense to avoid certain kind of strategic alliances if we are to maintain our credibility and build effective progressive alliance working for BI
- Don’t turn away – but be wary of – “cheap support” (De Wispelaere, forthcoming)

Work ***in a selective way*** for support from ‘unusual suspects’ (e.g. progressive business people such as Götz Werner in Germany, Roland Duchâtelet in Belgium, Conference Board of Canada, retiring TD Bank CEO Ed Clark)

Challenge those on the left who are reluctant or resistant about BI

Often our progressive and left allies defending the status quo (a welfare state ravaged but neo-liberal rhetoric and retrenchment), arguing that “if only the cuts could be reversed, we would be better off that way than going down the dangerous road of BI.”

Can the old welfare state (which in fact we used to criticize even before the advent of neo-liberalism as being inadequate, intrusive, and inefficient) really be re-booted? Even if it could, is that what we really want? How bad do things have to get before we shuck off the old welfare paradigms, and embrace the need for paradigm shift??

De-mythologize the “full employment economy” as our ticket to prosperity for all

The old employment base of mass production industry is gone forever in the early-industrializing countries with their rust belts. Mass employment industries will also shrink over time even in the recently industrializing countries of the south, due to progressive waves of automation and high-tech innovation, and limits to our ability to produce and consume as ecological limits are reached and environmental crises must be managed.

Present BI as a pragmatic way to ensure a modest but sustainable life for all (lower average carbon footprint) that gives us some hope for global economic (and overall) security within the limits of our eco-systems and spaceship earth.

Situate our call to move in the direction of BI within the current campaigns for greater economic equality and tax fairness that have gained political traction in recent years.

Remember that all social movements need **poets / engineers / rank and file workers** (soldiers)

(In regard to academic discourse on social welfare policy – is it time to throw the “welfare state regime” typology on the theoretical scrap heap? BI does not fit neatly or comfortably into any of the welfare regime types such as social democratic / conservative / liberal; but are these types even valid in our neo-liberal global political economy?)

## 2. Don't keep it simple – embrace complexity, at least within the BI movement

Avoid magic bullets and simple solutions

- Don't overpromise in regard to easy achievability or quick outcomes of a comprehensive BI
- BI won't end poverty or correct gross inequality on its own
- We need public services and good public policy in tackling poverty and inequality, not just cash transfers (the latter is a necessary but not sufficient condition for achieving our goals)
- Avoid a 'one justification' argument – e.g. promoting BI as a poverty alleviation measure, while remaining silent on its appeal on other grounds such as enhancing human freedom, or being a step in the direction of environmental sustainability
- Include in our advocacy the need to re-define “work” as all socially necessary and useful labour, not just paid work in the labour market; work also includes care work in the home, educational and scholarly pursuits, artistic creation, volunteer service, etc.
- Recognize that BI may or not be consonant with feminist goals, depending on the program design and the economic and social context in which it is implemented
- Make the connections with steady-state economics and environmental sustainability
  - this has been as largely missing piece of justifying BI to date
  - ties point ties back to # 1 (Coalition Building) above: the need to ally with green movements / organizations / political parties
- Be aware of BI design and implementation complexities
- Take administrative / delivery questions seriously (BI's complex interaction and possible articulation with a range of benefits and tax measures)
- What about those situations where paying a BI will lead to immediate negative consequences for individuals and families (due to addiction, family dysfunction, psychological or social vulnerability)?
  - The need for creative, flexible, and accountable arrangements for trusteeship of BI benefits in cases where a monthly influx of cash may cause immediate harm (e.g. cases of chronic addiction, psychiatric disorder, etc.)
- Sort out jurisdictional and cost sharing squabbles (e.g. in Canada – federal and provincial/territorial roles)

**At the same time** -- in order to maintain your broad coalition and political momentum, make good use of your poets and visionaries who can inspire the rank and file and the broader public with the “disarmingly simple idea” of BI.

Have a small number of key messages:

- Poverty reduction / elimination
- Increasing equality
- Human freedom
- Environmental sustainability (premature to pursue this now)

Behind the scenes, keep your engineers busy on the details of a workable and politically saleable plan. Be a little bit “Machiavellian” without losing your ethical commitments.

### **3. Adopt Different Action Strategies, Depending on the Context**

In wealthy countries with highly elaborated social welfare states, recognize the need for flexible and incrementalist approaches to implementation.

- Can we live with a NIT or refundable tax credit model, as opposed to a more universalistic demogrant design, at least in the short to medium term?
- Think “architecture” rather than “program” – putting existing income security measures together (while expanding their scope and level of benefits) in such a way that we can build a more resilient economic security structure of all (CASW, 2014; Frankel & Mulvale, 2015)
- There may be some ‘tailoring’ required for individuals in special circumstances (e.g. for living with a disability and requiring funding for daily living supports)

In the ‘long march’ to basic income, mustering political support for guaranteed and adequate income security for persons with disabilities will be an important and perhaps early step. In providing such better arrangements, it is important not to set up disincentives and ‘welfare walls’ for those persons living with disabilities who want to and are able to participate in the paid labour market – realizing that this is not feasible for all individuals. I think it also important to have flexibility to adjust the amount of benefits upwards in order to take into account the individual needs of some persons with disabilities, such as the cost of adaptive equipment or personal assistants for daily activities.

These are relatively easy principles to articulate, but of course designing the right policy and program and gaining political support are bigger challenges.

The commensurability of Conditional Cash Transfers (e.g. in Latin America) with the BI model? (A. Prado and work of ECLAC; Rubén LoVuolo, 2012)

One in 4 Brazilians are benefiting from the Bolsa Familia

Possibility for more ‘radical’ implementation schemes in poor countries without highly developed or well-funded social welfare regimes (e.g. Namibia); such countries may be less invested policy regimes based on other models for benefit payment (social insurance, means-tested programs) and may have less existing welfare bureaucracy that seeks to perpetuate itself.

The desirability of legislating BI benefits, to prevent immediate repeal of a BI program or policy when a government changes

(related example: the Liberal Party’s commitment to a national strategy for early childhood education and care in the lead-up to the 2006 federal election, that was easily dispensed with when the Conservatives won the election)

The possibility in certain circumstances of ensuring BI through legal / constitutional measures – but this route is not always a promising one (Morales & De Wispelaere, forthcoming; existing conservative SCC jurisprudence in Canada)

Be conscious of, and make a deliberate choice about, whether we should adopt a “organizational” or “networking” model of activism.

- Organizations are more formal, hierarchical, and efficient, but less diverse and nimble.
- Networks are more dynamic and adaptable, but can undermine a coherence of our efforts (especially at the national level) by attempting to bring discordant or even conflicting players under the same big BI tent

#### **4. But What Will BI Cost?**

Don’t shy away from the cost questions – but on the other hand, don’t get railroaded into simplistic projections based on limited information and unexamined assumptions

Cost out a range of options: usefulness of Statistics Canada, SPSS software and similar modeling tools.

There is a desperate need for country by country research in this regard.

We need to expand the ‘how to pay for it’ discourse to bring in new assumptions and sources of revenue. Of particular importance in this regard is the need to focus on collective ownership of the ‘common wealth’ (e.g. natural resources) as the basis for generating new revenue streams. We must tie the common ownership concept to the equitable and redistributive elements of a BI funded from resource revenues.

More work is required on the moral and political justification for using resource revenues to:

- Pay a BI in the here and now (redistributive justice)
- Put away funds for our ‘post-resource’ future (intergenerational justice)

- Think beyond dirty resources (Flomenhoft re: electronic bandwidth, hydro, Georgist arguments re: land value, etc.)

Sovereign Wealth Funds are a practical mechanism for consolidating resource revenues to pay a BI benefit in the present and to ensure benefits for future generations.

## **5. To Pilot or Not to Pilot?**

Don't rule out pilot projects, but don't insist on them either – be opportunistic

Large scale, multiple pilot projects like those across North America in the 1970s may no longer be possible in today's public sector fiscal environment, and may not be a wise direction even if such new experiments were feasible.

It takes years to produce and analyse data and to prepare and disseminate findings in such pilots; by the time the results are in, opponents can argue against the generalizability of the findings in the contemporaneous context.

Have past projects (e.g. 1970s pilots) had their data fully mined? Maybe there are lessons still to be learned from past experiments. Do we need new data sets when we have not fully exploited the existing ones?

One attractive possibility where it might exist: add a 'BI component to an existing community-based longitudinal study already in the works.

We do in fact have one existing "RCT" study underway in India (work led by Jhabvala & Standing). This project has a careful design and is showing encouraging initial results. How many more trials are necessary to show that BI can work?

## **6. Take the Long View, and Don't Get Discouraged**

The struggle for universal enfranchisement (the right for all adults to vote in elections) spanned a century.

The struggle in Canada for universal public health insurance (medicare) lasted from the 1930s until the 1960s, with a rearguard action required in the 1980s (Monique Begin's *Canada Health Act*). There are struggles still occurring today in regard to medicare in Canada (against encroaching privatization, for more efficiency through system initiatives that may limit physician remuneration through fee-for-service, for pharmacare / homecare / public health measures)

## **Final Thoughts**

The above is a 'smorgasbord' of practical considerations. Given the realities of building movements and conducting campaigns, we cannot do everything all at once, nor should we try.

On the other hand, we must think and act on different levels and in multiple ways if we are to advance the cause of BI in our political community (be it at the national, sub-national, or local level).

And ALWAYS we should be guided in our efforts to persuade the public and motivate political decision-makers by a "General Strategy" and set of "Ethical Imperatives" along the lines of those set out at the beginning of this presentation.

*Revised 15 March 2015*