
North American Basic Income Network Congress

June 15-16, 2019 New York City

The Response of Labor Unions to Universal Basic Income

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Introduction

- ❑ labor unions as a major, but overlooked interest group
 - ❑ *Most labor unions reject basic income on the grounds that it will not deliver the expected positive effects, while bearing considerable risks. UBI contradicts unions' traditional values and is seen as a threat to their power.*
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The Empirical View: Observations from Experiments Worldwide

United States



- ❑ unions are uninterested
 - ❑ not a single official statement from the ten largest unions
 - ❑ Andrew Stern: *Raising the Floor* (2016)
 - ❑ “*We’ll need a bold, alternative solution like UBI*”
(Stern and Kravitz 2016)
 - ❑ Richard Trumka (AFL-CIO)
 - ❑ “*idea we like to play with*” (Nolan 2017)
 - ❑ “*haven’t seen a solution that works*” (Romano 2018)
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Canada



- ❑ interested, but with “*considerable caution*” (Haddow 1994)
 - ❑ “*too much a risky social policy reform*” (Vanderborght 2006)
 - ❑ Ontario Basic Income Pilot 2018-19: “*thoughtful proposal,*” but “*skepticism is warranted*” (OPSEU 2017)
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Germany



- ❑ various proposals (entrepreneurs, scholars, politicians, NGOs,...)
 - ❑ unions: clearly opposed
 - ❑ “attractive” and “fascinating” but dangerous (Ver.di 2017, IG Metall 2018)
 - ❑ “trojan horse of neoliberalism” (Schäfer 2007)
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Financial Considerations

1 How can UBI be financed?

- ❑ unions doubt feasibility
 - ❑ Great Britain: “very costly” and “more remote [...] than ever” (Jordan and Ziegler 2001)
 - ❑ Germany: “insufficient financing” (Ver.di 2017), “not realistic” (IG Metall 2018)

2 Who profits, who loses?

- ❑ eliminates poverty
 - ❑ supports low- and middle income families
 - ❑ “BI has not much to offer to the vast majority of union members” (Vanderborgh 2006)
 - ❑ middle class likely to bear the main burden
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Economic Effects - The Labor Market

1 Bargaining Power

Individuals

- ❑ exit option improves bargaining power
- ❑ different effects for low- and high-skilled workers

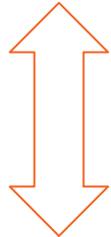
Unions

- ❑ “*not a resource of power*” for individuals (IG Metall 2018)
 - ❑ less need for collective action
 - ❑ “*permanent strike fund*” (Carter in Stern 2016)
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2 Unemployment

- ❑ eliminates unemployment trap
- ❑ real change only with complete deregulation
- ❑ role of training/reintegration programs
- ❑ Is full employment the goal?!

3 Wages



- + increased bargaining power
 - +/- different effects for different skill levels
 - “*combination wage*,” threat to minimum wage (Lajoie 2007)
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A Value Perspective

1 The Role of the Individual

- ❑ unions are communal, UBI is individualistic
- ❑ further atomization of society
 - ❑ weakens the “*foundation for solidaric and collective action*” (IG Metall 2018)

2 The Value of Work

- ❑ work is central for unions
 - ❑ “*social integration, recognition, self-affirmation*” (Ver.di 2017)
 - ❑ UBI makes work (almost) unnecessary
 - ❑ work as a right vs a burden
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3 Justice

- ❑ needs-based justice vs merit-based justice
 - ❑ new form of exploitation
 - ❑ “*the idle exploit the industrious*” (Reeve 2003)
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Conclusions

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- ❑ not feasible
 - ❑ will not deliver promised benefits
 - ❑ limits the role and power of unions
 - ❑ contradictory to traditional union values
 - justified concerns
 - push for experiments to have tangible results
 - address in policy design
 - push for union-compatible basic income
 - frame UBI coherent with union values
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 - ❑ Ontario Basic Income Pilot 2018-2019
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Finland



- ❑ model experiment 2017-2018
 - ❑ Ilkka Kaukoranta, SAK:
 - ❑ *“takes social policy in the wrong direction”*
 - ❑ *“impossibly expensive”* (Tiessalo 2017)
 - ❑ used to dismantle the welfare state
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Netherlands



- ❑ experiments on communal level
 - ❑ active debate in 1990s
 - ❑ *Voedingsbond* (Dutch Union of Food Workers) supportive in 1990s
 - ❑ general support, but only 18% explicit endorsement (van Berkel 1994)
 - ❑ FNV (Federation of Dutch Trade Unions) now supports UBI (“interesting option”)
 - ❑ mostly claimant’s issue
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