



Universal basic income: a contentious idea in contentious times

Ruth Castel-Branco

The Covid-19 crisis has exposed and intensified institutionalized structures of inequality everywhere. As countries struggle to respond to its social, economic and political fallout, even mainstream leaders have begun to consider universal basic income (UBI). Spain recently announced the introduction of a national minimum income; South Africa's finance minister conceded that it was an idea worth exploring; and Pope Francis proposed it as a response to hunger and starvation. But what is its political history, what would a progressive UBI look like and what would it take to achieve it?

Over the past decades, interest in non-contributory cash transfers has resurged. Previously dismissed as undesirable, unaffordable and impossible to implement in states with limited capacity, cash transfers have been repackaged as an effective and efficient policy instrument, capable of playing both a redistributive role and stimulating economic growth. However, able-bodied adults of working age have been largely excluded; and when included, their cash transfers have been highly targeted, conditional on behaviour modification and insufficient for households' needs. The underlying assumption is that able-bodied adults can sustain themselves and their families through work. However, as [Hein Marais](#) pointed out on this site nearly a decade ago, this is a fictional account of conditions in South Africa, and increasingly across the world.

The Covid-19 pandemic has dramatically exacerbated the existing crisis of social reproduction. As job shedding escalates, the [ILO](#) (2020) estimates that nearly half the global workforce is at risk of losing their livelihoods. In Africa and Asia, projections are still worse. In response, states have introduced unprecedented income security measures for able-bodied adults. However, these have tended to be short-term stimulus benefits. Given that the effects of the Covid-19 crisis will be long-lasting, it is necessary to consider how to expand emergency measures into longer-term forms of social protection. This context has given a UBI a new lease on life.

UBI's political history

In its simplest form, a UBI is a publicly funded, unconditional cash transfer paid regularly to all on the basis of citizenship. Though seemingly utopian - it challenges the dogma of the dignity of wage work - a UBI can be politically slippery. First

attributed to Thomas Paine, it is rooted in the idea of a rightful share. Writing at the height of agrarian transformation in the US, Paine argued that the dispossessed and excluded should be compensated by the landed monopoly who benefited from their expropriation. After all, land belongs to all who inhabit the earth. Not only was a UBI ethical, he contended, but politically expedient given the revolutionary fervour of the time.

More than a century and a half later, Martin Luther King Jr. would propose a guaranteed income pegged to the median wage as a response to the crisis of social reproduction triggered by increasing automation and jobless growth:

I am now convinced that the simplest approach will prove to be the most effective: the guaranteed income...[The] dislocations in the market operation of our economy and the prevalence of discrimination thrust people into idleness and bind them in constant or frequent unemployment against their will... We have so energetically mastered production that we now must give attention to distribution. (King Jr 1967, 171)

Today, interest in a UBI has resurfaced in response to the problem of 'jobloss' growth and the need to rethink development models amidst ecological crisis. Its proponents span the political spectrum and have included both trade unions, such as the Congress of South African Trade Unions (COSATU) and staunchly anti-union billionaires, such as Walmart chairperson Rob Walton.

Progressive arguments for and against

Progressive proponents of a UBI argue that it provides income security for those who are precariously connected to formal labour markets, particularly women. A UBI would reduce poverty and inequality and establish a wage below which workers could refuse to work. This would give workers greater power to negotiate working conditions and strengthen the social basis of unions. Furthermore, it would enable people to engage in socially meaningful activities outside of the labour market. Its universal character avoids the costly selection processes and errors of inclusion or exclusion that are endemic to means-tested measures, while its unconditional nature prevents capital from coercing recipients into ultra-low-wage

labour. Indeed, progressive proponents of a UBI argue that it has the potential to undermine the exploitative foundations of capitalism and transform class relations.

Conservative critics fear that a UBI could amount to an unlimited strike fund, which of course is what progressives hope. They deploy a paternalistic discourse - the poor cannot be trusted with cash for they will squander it on vices - to neutralize popular support for a UBI. This tension between the provision of income security and the regulation of labour markets is not new. In 1795 the English adopted the Speenhamland Law which established that all poor people should receive a minimum income based on the principle of the right to live. For thirty years the work requirement was ignored, giving workers and employers labour flexibility. However, the unintended consequence was the reduction of wages and productivity, as employers offset the costs of labour onto the parish and ultra-low wage workers saw little incentive to take up work.

Given the potentially decommodifying effects of a universal and unconditional cash transfer, why would union-buster Rob Walton support it? Walmart has successfully leveraged publicly funded welfare to subsidize workers' low wages. A [report](#) by Americans for Tax Fairness (2014) found that Walmart cost the US taxpayers an estimated US\$6.2 billion in food stamps, Medicaid and subsidized housing. A similar phenomenon occurred under the Speenhamland Law. In addition, most UBI proposals have been well below the working poverty line, and thus workers cannot realistically withhold their labour. Furthermore, because a UBI is often portrayed as a magic bullet response to the crisis of social reproduction, it can be used to grease the wheels of austerity by abstracting from the processes of capitalist accumulation, justifying the roll-back of social and labour protections, and facilitating commodification of public goods and services. Finally, evidence from existing cash transfer programs has shown that retailers benefit significantly from an increase in aggregate demand as a result of the expansion of cash transfers.

Without strong labour, social and consumer protections, a UBI could ultimately end up subsidizing the exploitative foundations of capitalism rather than undermining them.

What could a progressive proposal look like?

Ultimately, the devil is in the details. Progressive proposals set the value of the transfer at 125%, at least, of the individual poverty line. They conceive of a UBI as additional to, rather than a replacement for, existing forms of welfare provisioning (such as old-age and disability pensions that respond to vulnerabilities along the life cycle), and they recognize that welfare provisioning is part of a broader set of policies aimed at increasing the social wage and improving working conditions, such as national minimum wages. Finally, and critically, they place the state administration at the centre of welfare

provisioning. There has been a tendency in cash transfer debates to assume that cash can be transferred quickly and easily using digital technologies that sidestep the state administration. Such an assumption not only invisibilizes welfare workers and justifies their precarisation, but also overlooks how digital technologies have been leveraged to trap welfare recipients in relations of credit and debt.

What constellation of forces can claw back the idea of a UBI from capital and drive a progressive politics of redistribution amidst the fallout of the Covid-19 crisis? Writing at the height of automation, as unskilled unionized workers in the manufacturing sector were being displaced by machines and funnelled into low-wage service work, Martin Luther King Jr. highlighted the importance of coalition building. Given the public resources required to fund a guaranteed income, he argued, the civil rights movement could not go it alone. Although the labour movement had been an uneven ally of black workers, Martin Luther King Jr. envisioned an alliance amongst the labour, civil rights and progressive movements.

The trade union movement...despite its potential strength, has been an inarticulate giant with an unsteady gait... In other mass unions new leaders have emerged with a deep commitment to broad social issues...The coalition of an energized section of labour, Negro, unemployed and welfare recipients may be the source of power that reshapes economic relationships and ushers in a breakthrough to a new level of social reform. (King Jr 1967, 150)

Alliance building will be essential in shaping the terms of recovery following the Covid-19 crisis. Whether a UBI will be an element of that depends on the nature of contentious politics, the social forces involved and the power that they are able to mobilize.

Ruth Castel-Branco is a researcher on the future of work at the Southern Centre for Inequality Studies, University of the Witwatersrand.

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University of the Witwatersrand

Contact the editor for questions or contributions: Claire.Ceruti@global-labour-university.org

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