



The Bulletin

Socialist Project • E-Bulletin No. 1350

January 2, 2017

Basic Income: Progressive Dreams Meet Neoliberal Realities

John Clarke

Up until now, the concept of Basic Income (BI) has enjoyed a greater history of being proposed than of being implemented. We may well be approaching a period, however, when this changes. The Ontario Government is [holding consultations](#) on setting up a BI pilot project. The Legislature in another Canadian Province, Prince Edward Island, has agreed to [test out a version of BI](#). Pilot projects are also impending in [Finland](#), the [Netherlands](#) and [Scotland](#).

Basic Income has been suggested in an exceptionally wide range of forms, often with completely different objectives in mind. In fact, we can draw a line between the models that are concerned with improving lives and raising living standards and those that are focused on intensifying the capacity for capitalist exploitation. Among those in the 'progressive' category there is considerable diversity.

There's the 'universal demogrant' that provides an income to everyone and the concept of a 'negative income tax' involving some level of means test. BI proposals come from liberal quarters that are responsibly redistributive, reduce poverty and inequality and ease up on bureaucratic intrusion. The above mentioned proposal for an Ontario pilot project would be part of this camp. Then there are the models that have more radical, transformative objectives in mind. These suggest that BI could be used to take from employers the power of economic coercion itself by [severing the link between work and income](#). Often such ideas are tied to the notion of preparing for sweeping technological displacement and a '[workless future](#)' by providing secure, adequate and unconditional income. Given the vast extent to which forms of unpaid labour are performed by women in this society, it is hardly surprising that there are also [feminist arguments](#) for BI.



I have to say that the one really common thread that I see running through all of the notions of a progressive BI is that they pay great attention to explaining how nice their systems would be but give little if any thought to the concrete prospects of implementation. Before looking further at these deficiencies and proposing an alternative approach, it might be useful to consider more seriously the neoliberal version that is hanging like a sword over all our heads.

Neoliberal Version

The deeply [reactionary ideas of Charles Murray](#) have extended to some very sinister proposals for BI. There are two basic elements that shape his system. Firstly, the universal payment, after the compulsory purchase of private health insurance, is set at the dreadfully low amount of \$10,000 a year. Secondly, he is utterly insistent that all other systems of provision must be dismantled as a BI is put in place. Canada's right wing Fraser Institute, [recently used its blog](#) to stress the same points as Murray, making clear that the level of provision must not interfere with the supply of low waged workers.

If governments today, as they intensify the neoliberal agenda, are starting to consider the possibilities of BI, I see three factors at work. Firstly, there is the not unimportant issue of legitimacy. Particularly because they are being provided with a generous amount of 'progressive' cover, they are able to present their deliberations on BI as a responsible weighing of the common good. The Ontario Liberals stand out as international champions in this regard. Their BI pilot project consultations, have enabled them to put in place yet another round of fake dialogue, with the empty promise of a "[better way](#)" diverting attention as they push people even deeper into poverty. The World Bank and the IMF have been [worrying out loud](#) about the backlash against their austerity agenda and its devastating impacts. That IMF economists are themselves [musing about BI](#), is perhaps significant in this regard. It advances their agenda but can be dressed up to look progressive. It may be the best thing for the institutions of global capitalism since the myth of 'poverty reduction'.

The second element of BI that I think is of interest to the architects of neoliberalism is that it can fine tune economic coercion as they create an ever more [elastic workforce](#) based on the most precarious forms of employment. The income support systems that emerged out of the Poor Law tradition, stressed intense restrictions and moral policing. Along with horribly inadequate benefit levels, this has been very useful in driving people into low waged work to an [unprecedented extent](#). It may, however, be time to rethink this to a degree. If people are moving between poverty wages and poverty level benefits more frequently in a precarious job market, perhaps they can be more effectively prodded into the worst jobs with less intrusive benefit systems. A less rule bound delivery of poverty income, that gives people a chance of retaining their housing, may be needed to keep them job ready. Linked to this, of course, is the huge boost to the employers of a BI system that constitutes a form of wage top up. Provided the payment is meagre, it will not impede the flow of low paid workers but it will mean that their employers receive a subsidy that absolves them from having to pay living wages or come under pressure to increase the amount they do provide.

Thirdly, the great advantage of neoliberal BI is that the inadequate and dwindling payment it provides turns those who receive it into customers in the marketplace. In my opinion, BI would be far from the best way to strengthen the social infrastructure at any time but in the context of an intensifying agenda of austerity and privatization, it is a recipe for disaster. It's really about the commodification of social provision. Your payment may actually be less conditional and somewhat larger but, as you shop through the privatized remains of the social infrastructure, with inadequate means and very few rights,

you are dramatically worse off. That, in my view, is what is being prepared by those who will actually implement a system of BI and the hopes and wishes to the contrary of its progressive advocates don't count for very much.

Progressive Dreams

I said previously that proposals for redistributive or transformative models of BI are generally marked by a tendency to focus on the desirability of what is being advanced while paying much less attention to actual prospects for implementation. I've yet to see, quite bluntly, any serious attempt to assess what stands in the way of a progressive BI and what can be done to bring it into existence. It simply isn't enough to explain how just and fair a given model would be if it could be adopted. In order to credibly advance BI as the solution, there are some questions that must be settled.

Firstly, income support systems came into being because, while employers welcome an oversupply of labour and the desperation that comes with it as something that boosts their bargaining power, the total abandonment of the jobless creates social unrest. Some measure of income support, provided as a reluctant concession, has proved to be necessary. However, the systems of provision that have been put in place have always been as inadequate as possible so as to undermine employer strength as little as possible. A widely delivered or even universal adequate payment would greatly tilt that balance back the other way. What reason is there to think that this is likely to be implemented?

Secondly, over the last several decades, concessions made during the post war years have been taken back. Trade unions have been weakened, workers' rights undermined and low waged work has increased considerably. The degrading of income support systems has been central to creating the climate of desperation needed to achieve this. Not only have benefits for the unemployed been attacked but other systems, especially for disabled people have been undermined so as to generate a scramble for the worst jobs. This has led to a shift in the balance of forces in society and we are fighting a largely defensive struggle. Given this very unfavourable situation, in which unions and movements are not in the ascendancy, how can it be supposed that those profiting from the present situation are likely to accept a measure of redistributive social reform that is at least as sweeping as anything put in place during the post war boom? What is the plan to make this happen?

Thirdly, as right wing governments and political parties directly linked to the most reactionary business interests consider BI and set up pilot projects that provide meagre payments and focus on how to ensure people on social benefits become low waged workers, what reason is there to imagine that a progressive BI, rather than the neoliberal variant, is being cooked up?

Regardless of these issues, it is sometimes asserted that an adequate system of provision must be put in place simply because we are moving toward a "[workless future](#)." In such a society, it is suggested, masses of people who have been displaced will have to be provided for and the capitalists will have to think like Elon Musk, of Tesla Motors and support BI because it is the only sensible and rational solution. To imagine such responsible provision for the future is to place undue faith in a system based on the making of profit. If they won't stop building pipelines in the face of environmental catastrophe, there's little reason to expect them to worry too much about sensible solutions to technological displacement. There simply is no post-capitalist capitalism and no social policy innovation that is going to bring it about.

At a recent panel on Basic Income that I spoke at, the moderator posed a challenge. She accepted that BI might not be a way forward but asked, if that were so, what "bold vision" could be advanced in its

place. It's a fair question but a realistic appraisal of what we are up against is still obligatory, even if that has some sobering aspects to it. The great problem that we have is that the neoliberal years have done a lot of damage. The level of exploitation has been increased and working class movements have been weakened. While what we demand and aspire to is very important, the bigger question is what we can win. What's disturbing about the left wing turn to BI is that it seems to think there is a social policy end run around the realities of neoliberalism and the need to resist it. There is no such thing.

British Labour Party and BI

With very good reason, there has been considerable excitement internationally around the Jeremy Corbyn leadership in the British Labour Party. His close ally, Shadow Chancellor, John McDonnell, has been [paying some attention to adopting BI](#), as part of a platform that would express a break with the austerity consensus. McDonnell, from a position on the left of a major social democratic party, raises the possibility of a 'best case scenario' for progressive BI. For that very reason, the question is posed of whether the 'bold vision' I spoke of should be framed around the universal payment concept or devoted to other objectives.

“

Basic Income, when all is said and done, is a vision for nothing more than the means to be a customer in an unjust society that decides what is for sale.”

In my opinion, if we are to consider goals we set and demands we put forward in the face of neoliberalism, that are based on the needs of workers and communities and create the conditions for challenging capitalism itself, we sell ourselves well short if we settle for something so limited and inherently conservative as the universal payment. BI, when all is said and done, is a vision for nothing more than the means to be a customer in an unjust society that decides what is for sale. How much bolder and more meaningful to fight for free, massively expanded and fully accessible systems of healthcare and public transportation? How much better to focus on the creation of social housing and try to expand it so that, not only the poorest, but most working class people enjoy its benefits? There is universal child care and vast array of important community services to pay attention to. Moreover, we can work to wrest as much power as possible out of the hands of the mandarins of state bureaucracy and fight to increase the control working class people exercise over the public services they rely on. When it comes to existing systems of income support, we should not for a moment accept their poverty level benefits, bureaucratic intrusion and forms of moral policing steeped in racism and sexism. There is a fight to be taken forward for living income, full entitlement and programs that meet the real needs of unemployed, poor and disabled people, as opposed to the present 'rituals of degradation' they embody. At every point, let's try to ensure that these expanded services are not paid for by other working class people but by forcing the corporations, banks and those who own them to pay by increasing their tax burden and imposing levies on their wealth.

The struggle to expand and improve public services would have to, of course, be linked to workers' struggles for living wages, workplace rights and real compensation for injured workers. Beyond this, let's challenge as much as we can the 'business decisions' that deplete resources, pollute and threaten us with ecological disaster.

I am suggesting that our movements need to challenge, rather than come to terms with, the neoliberal order and the capitalist system that has produced it. For all its claims to be a sweeping measure, the notion of progressive BI is a futile attempt to make peace with that system. In reality, even that

compromise is not available. The model of BI that governments are working on in their social policy laboratories will not 'end the tyranny of the labour market' but render it more dreadful. The agenda of austerity and privatization requires a system of income support that renders people as powerless and desperate as possible in the face of exploitation and that won't change if it is relabelled as 'Basic Income'. •

John Clarke is an organizer with the [Ontario Coalition Against Poverty](#) (OCAP).

Related Reading



[Bursting at the Seams](#)
2016-11-20



[Ontario's Austerity Government Sets Basic Income Trap](#)
John Clarke | 2016-11-15



[Disabled People Give Lead In Fight Against UK Austerity](#)
John Clarke | 2016-09-30



[Implementing Austerity By Downloading Responsibility](#)
AJ Withers and Yogi Acharya | 2016-07-22