

Basic income as unconditional subsistence: desirability and obstacles

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1. Basic income in the welfare state

I am greatly honoured to be invited by the organizers of the Thirteenth International Conference of the *Basic Income Earth Network*, to present my introductory remarks in Brazil - the country in which, due largely to the untiring efforts of Senator Eduardo Matarazzo Suplicy - basic income has legally been positioned as a political project of reforming the Brazilian social protection system in the direction of individual liberty and collective capacity for social inclusion. At the close of this Pre-Conference day, having absorbed the thoughtful presentations of the two Round Tables on the Brazilian case, the BIEN welcome address and the problematics of the two plenary sessions, it may seem clear that no further introductions are really needed. We appear, all of us, to be nicely warmed up and clued in, ready to go into the two days of the International Congress that lie before us, as from tomorrow morning.

So thinking about my task, back in Amsterdam, it struck me that what I would like to share with you by way of background, are some general thoughts on basic income in the context of developed welfare states. My reflections are from the personal point of view of someone who has been involved with the movement for almost thirty years, yet who has remained at some distance from the main stream of vibrant activity which has shaped BIEN from a predominantly European undertaking to an impressive Earth-spanning network of information, research and political advocacy.

I have always been a fervent supporter of basic income, owing to normative commitments and causal beliefs about the beneficial effects of introducing a basic income in the welfare state – at least in the modalities required for basic income to actually produce these effects. But I must confess having become somewhat more impressed by the political difficulties of getting this project securely underway than I was fifteen or twenty years ago. These difficulties seem to loom large in Europe, my home

base, and the one from which BIEN later radiated outwards in the world. What I want to do is talk about my reasons for firmly supporting basic income in this paradigmatic context, and also state what I believe to be the main obstacles to be overcome.

However, my intention is not to present a gloomy story, for two reasons. First, reflecting on the prospects for basic income to become the ‘concluding achievement’ of a developed welfare state may be instructive in an introductory lecture¹. This is because the basic income proposal that claims to constitute such an achievement – roughly: *to replace all existing means, income and work tested conditional entitlements up to the ruling level of social minimum income by an unconditional universal grant extended to all citizens and permanent residents* – is at the same time radically redistributive and radically dissonant with common thinking about the link between work and income in welfare states. Thus the proposal surely needs both a firm normative defense, responding to shared ideas of distributive justice and freedom, as well as appealing to the social values that underlie a broad conception of work and free time. And as Claus Offe has stressed for many years from the perspective of political sociology, the case for the route to a full basic income also needs to be supported by functional arguments concerning the problems faced by the standardly ‘productivist’ welfare state policies and public philosophies of labour participation and social security.² It is thus of interest to briefly review some of these normative and causal arguments that speak in favor of basic income, which I will do in section 2 below.

This is not only because it’s nice to have those arguments on the table, but also because it may be good to reassess them, as I will try to show below. The main reason is that the core arrangements of genuine redistribution in most existing welfare states are credibly seen to be under some threat. In the

¹ “Basic income: the concluding achievement of the welfare state?” was the title of a 1995 volume on basic income in the Netherlands which I edited with Dick Pels (Pels and Van der Veen, 1995).

² See the excellent early analysis in Offe, 1995, and the more recent statements in Offe, 2009.

short term, these arrangements are threatened by the fiscal austerity brought on by the current financial crisis. In the longer run, the willingness to sustain them is subject to the the dual pressures of globalisation arising from mobility of labour and increased cultural heterogeneity.³ Due to ageing populations, moreover, the public finance requirements of welfare states are rising steadily, making it more difficult to maintain the customary level of redistributive provisions.

The grand project of making access to the social minimum truly unconditional, as a matter of citizen entitlement, presupposes that the social minimum itself remains securely in place. But the political terms in which the case for undertaking the project are stated may have to be reconsidered if over time, the willingness to underwrite universal minimum guarantees in developed welfare state societies is being eroded for the reasons just mentioned. As I will try to argue in the last section, this might present the basic income movement with problems not fully appreciated in its drive to transcend the 'productivist' welfare state.

My second reason for resisting undue gloom for the purposes of this lecture is that basic income might actually have a brighter future outside of the welfare states in rich countries. Whatever the problems of getting basic income underway - and taking it all the way - in the case of a European welfare state like the Dutch one, in which a reasonably generous social minimum continues to be the point of reference, one can be more optimistic about the prospects of a viable and politically promising basic income trajectory in Brazil, given the first legal step along this way which I just alluded to in my opening remark, to wit, the famous *Federal Law 10835/2004*.⁴ And surely it seems equally hard to deny the strength of the

³ See Van Parijs and Vanderborght, 2010.

⁴ The bill, introduced by Senator Eduardo Suplicy in 2001, called for an unconditional basic income for all Brazilian citizens and residents, to be progressively instituted beginning with those most in need, and subject to implementation by the president.. The bill was passed by the Senate in 2002 and by the Chamber of Deputies in 2003. It was signed into law by President Lula da Silva in 2004. So far, however, the law still awaits implementation.

case for alleviating poverty and reducing structural inequality of life chances by means of basic income grants in the South African society, especially taking account of the results so far obtained on the two-year Basic Income Grant pilot project in Namibia, its close neighbour.⁵ To my mind these examples indicate that unconditional cash transfers have a large role to play in countries of the developing world which have sufficient tax capacity. This points a realistic path towards a universal basic income.⁶ Yet it can not be ignored that efforts to build up stable and high-quality earning opportunities by means of public investment in infrastructure, health, literacy and education will have to be made along that same path.⁷

2. Full basic income: adapting and transcending the welfare state

Why and in what sense should a ‘full’ basic income - i.e. one set at the customary level of subsistence - be regarded as the ‘concluding achievement’ of a developed welfare state? The answer Dick Pels and I gave a long time ago is that full basic income is the linchpin for adapting the traditional arrangements of labour market and social security to the realities of the economic and cultural changes in the life of work, while retaining the dual commitment to two key values of the welfare state: a guaranteed social minimum, and collective insurance that covers the most important risks of income loss. However, by adapting to these realities, the welfare state is not only being modernized. It is also transcended in the sense that basic needs-covering welfare becomes officially disconnected from paid work and other gainful activity. As Robert Goodin has noted, all existing welfare states, whatever historical and institutional differences they may display, are *deeply productivist*, in their rejection of the idea that social rights should be used to

⁵ See Haarmann et al, 2009.

⁶ For a more comprehensive defense of this claim, see Standing, 2008.

⁷ See Haagh, 2007

liberate people from the social obligation to work for a living.⁸ This basic conviction is woven into the fabric of welfare states, and can only be undone by a sustained justification of income unconditionality, by appealing to realistic policy effects and more encompassing moral conceptions of reciprocity.

To start with the former, consider the two most frequently mentioned policy advantages. First, compared to work-conditional or means-tested social policies, full basic income provides effective prevention of income poverty, understood as a serious interruption of access to an income at or above the social minimum over a person's lifetime. Moreover, it does so without exposing the recipients of the benefit to *shameful labelings*, thus this form of protection against poverty provides a social base of self-respect.⁹

Secondly, because a full basic income improves the efficiency of the labour market by removing the distortions of the poverty-trap and minimum wage legislation, while at the same time securing administrative simplicity of transfer payments at the bottom level, it establishes key conditions for continued participation of low-earners *in both paid and unpaid work*. It does so because incentives to enter into contracts of paid work are preserved and even enhanced, on both the supply and demand-side of the labour market, given that full basic income security makes it viable to offer and accept lower wage rates. A full basic income also stimulates independent work, most notably by reducing the risks of self-employment through defrayment of the living expenses in the cost of setting up business and maintaining it in

⁸ Goodin, 2001, sec 1, see also Van der Veen and Groot, 2006, 593-5.

⁹ As argued in van der Veen 1996, this feature may also generate self-interested middle-class support of basic income, compared to means-tested benefits at the same level. Given the increasing prospect of decline in the main middle-class resource of human capital, due to rising economic uncertainty, families with children missing prize entries into the labour market, or flunking out in school, will much welcome the cushioning effect of unconditional income in attempting to get them back on the right track, whereas they will typically regard means-tested benefits as meant for 'losers', and try to keep their children as far removed from these as possible. This undermines their willingness to pay tax for generous levels of means tested benefits in a way that does not apply to basic income.

its often precarious starting phase. A similar logic holds for decisions to improve one's human capital by training and education.¹⁰

Duly specified and refined, this second policy claim in favor of basic income is important to bring forward in public discussion, because it appeals to the image of an active life of participation in which paid work continues to be prominent. It should be distinguished from an older line of defensive argument recently restated by Claus Offe, namely that a full basic income enables adjustment to an - expected - structural deficit of employment opportunities, by making unemployment "...individually and collectively tolerable, and thereby [diminishing] the productivist pressure that public policy makers otherwise face to create jobs through investment-friendly fiscal, monetary and infrastructural policies".¹¹ I accept this older line of argument so far as it goes, but it seems to me that due to the decrease of the working-age population in many welfare states, opportunities for doing paid work may not be generally be declining in the next decades. Thus, I think that nowadays, a politically effective defense of full basic income is far more credibly cast in the 'activating' role of giving rise to more work across the board, even though less of that work may be paid than is the case under the conditional welfare state regime.¹²

In this respect, an indirect policy advantage of full basic income is often mentioned, which relates to a new adaptation route for social security more generally. It consists in integrating the traditional social insurance provisions of unemployment, illness and disability, as well as entitlements to paid leave, severance pay and some pension rights, into a system of personal lifecycle accounts. These accounts should be held by people across

¹⁰ This application of the logic is controversial, however, since it implicitly assumes that the positive incentive to invest in human capital is not offset by the prospect of declining future net returns to the improved earning power which could arise from the higher rates of tax imposed by a full basic income.

¹¹ Offe, 2009, 73.

¹² Thus while a full basic income may be likely to diminish aggregate hours of work supplied annually, the claim is that it is also likely to increase the number of persons performing paid work over their lifetimes, consistently with enabling them to engage more fully in diverse kinds of unpaid work and socially useful expenditure of free time.

occupational sectors. It will then become more easy to include the increasing numbers of flexible workers (freelancers, one-person self-employed, and many types of contract workers moving between distinctly diverse lines of work) in social security coverage from which they are often excluded at present. This would enable workers to exercise discretion in adjusting to the risks facing them throughout different phases of their lives, by giving them far more control over their time than they would have under mandatory collective insurance, while also making them more accountable for their choices over time. A full basic income would make such a wide-ranging reform both more efficient and equitable. In particular, by providing a secure minimum of time autonomy for all, full basic income would facilitate access to the benefits of social insurance for workers with less secure attachments to the labour market. From an egalitarian point of view, it would thereby legitimize the freedom of the better-placed workers to allocate their work-related lifecycle entitlements above the subsistence floor as they see fit.

Both the two direct policy advantages of a full basic income, as well as this more indirect one are related to a complex of normative concerns worth restating here. For a long time now, I strongly share with Philippe van Parijs the liberal-egalitarian view, according to which distributive justice requires us to raise the opportunities of earned income and free time as much as is possible for those who have least of those opportunities. Subject to some empirical qualifications – the most important of which, I think, is the existence of a strong positive correlation between the effective lifetime earning power of persons and rates of market return - this Rawlsian opportunity principle of justice can be approximately realized by granting everyone the *highest level of basic income which can be sustained*, given the responses of economic agents to the taxes required for financing the basic

income.¹³ I shall presently say more about this in connection with the central concept of a fully subsistence-covering basic income, but it should be clear that the first policy advantage of eliminating poverty in a non-stigmatizing way is amply covered by this view on justice, at least as soon as a full basic income becomes economically sustainable in the sense just indicated.

But the main point I want to make here concerns the second policy advantage claimed above – that full basic income creates the key conditions for continued lifetime participation in both paid and unpaid work. If this claim is true, as I think it is, and if such participation is held to be desirable, then we should pause to ask how this desirability is explained by the liberal-egalitarian view. In a purely deductive sense it is not explained, for the liberal part of the view holds that activities of paid work and those undertaken in ‘free’ time off from paid work stand on a completely neutral footing, in the sense that is *up to you* to decide how you value these activities and allocate your time among them, as your circumstances change and your experiences and ambitions develop. The state should not take a stance on how you do this, let alone intervene in your responsible choices to live either a *crazily industrious* high-income life or a *lazily indulgent* low-income one.

While this neutrality principle is of the utmost importance to ensure that the opportunities figuring under the rubric of liberal-egalitarian justice are genuine opportunities of free individuals, it does not explain why ‘continued participation in paid and unpaid work over the lifetime’ should be desirable, which most of us think it is. In other words, as far as arguing for the second policy claim in favor of basic income is concerned, the liberal-egalitarian view may need to be complemented by a normative account which elaborates the social value of a range of combinations of paid and unpaid activities, combinations which may be expected to be within reach

¹³ Undoubtedly, the *locus classicus* of the liberal-egalitarian case for basic income in a capitalist economy is Van Parijs, 1995. My own version of the case was put in the context of rejuvenating Marxian political theory, in Van der Veen, 1991. For a joint restatement, see Van der Veen and Van Parijs, 2006.

under a basic income system sufficiently generous to empower large numbers of individuals to choose them voluntarily. The argument for wanting such mixes of paid and unpaid activities to occur more frequently than they do at present is then not only that they will most probably be freely adopted under a basic income system (which is what makes them desirable on the liberal-egalitarian view), but also that they can be shown to make sense in terms of social values that can actually guide individual choices, by transforming people's preferences.

In the last two chapters of his recent book *Work After Globalisation*, Guy Standing has offered a highly appealing normative account of this kind, with many striking implications which I have no time to explore here.¹⁴ Standing tries to situate various types of unpaid work in relation to an ideal of 'occupational citizenship'. Central to occupation, which of course includes paid work, is a person's ability to allocate time over a wide range of complementary activities besides rest and play: the *work-for labour* that goes into maintaining the capacity to perform paid work satisfactorily (for example including schooling and training, and management of personal finance) the *work-for-reproduction*, including care work and the shaping of 'quality time' for children, and the *work-for-leisure*, including participation in civic and political associations, as well as time to reflectively digest the complex subject-matter of political issues. This fairly thick notion of occupational citizenship (which definitely has some republican overtones) is attractive, I think, because it can help us understand better what is at stake when we have to explain why we accept at least some of the 'negative labour supply effects' of a full basic income.

Such effects are of course not purely restricted to basic income. In an empirical paper comparing welfare states, which Loek Groot and I published in 2006, it was found that across a dataset of 13 welfare states, the

¹⁴ Standing, 2009.

degree of *work-benefit unconditionality* hangs together closely enough with the degree of *voluntary underemployment* and with average annual *hours per employed person* to form a single latent dimension for measuring welfare states, which we called (post)productivism. What this means is that in the data observed, people living in a welfare state with a higher ‘index of unconditionality’ more often choose to do paid work part-time (or more rarely, choose to do no such work) than in a welfare state with a lower index. And insofar as they are employed, people will also put in less hours of paid work over the year, in a setting of high unconditionality. We wanted to locate welfare states along this dimension in order to show that even though *public policies* in all thirteen of them were decidedly productivist at the time, the *actual outcomes* in these countries differed widely enough to make some of them (notably the Netherlands, as it turned out) veritable havens of post-productivism.¹⁵ Of course it remains to be seen if this tendency will persist. But if so, then one can reasonably speculate that with a fully unconditional basic income, people would spend less time in paid work as well, and would choose to perform more work in the three spheres that are combined in Guy Standing’s inspiring ideal of the occupational citizen. Without actually having a full basic income in place however, this can not be known for sure, hence the need for pilot projects and experimentation exists in rich welfare states just as it does for the Namibian village referred to earlier.

To summarize so far, I remain convinced that the basic income literature offers contrasting but complementary normative viewpoints that squarely back up the policy arguments made in favor of a full basic income, and therefore also begin to justify the larger claim that installing full basic income would indeed be the ‘concluding achievement’ of the welfare state. But the more difficult question is whether it is likely that welfare states will

15 In the context of our dimensional construct for measuring welfare states, *productivism* means that policies aiming at increasing the number of full-time employed, and seeking to reduce voluntary underemployment by means of tightening the link between ‘work and welfare’ actually produce these outcomes (see Van der Veen and Groot, 2006, sections 5 and 6).

actually go this way, even supposing that the widespread moral aversion against the very idea of a basic income could be sufficiently reduced, as a result of the free exchange of ideas.¹⁶

3. From partial to full basic income: the problem of transition.

I take it to be almost inescapable that an unconditional basic income will have to be introduced initially at a much lower level of coverage than the ruling subsistence level, because the responses of economic agents - especially in those in middle ranges of the income distribution where the most productive part of the work force is located - to the net tax cost of introducing a full basic income in one go will most probably render it unsustainable. We are thus faced with the task of introducing a partial basic income - say, at half the level of social minimum for a single person - and then doubling this level over some transition period, which will most likely to be one or more decades.¹⁷ In that period, of course, the two main policy advantages discussed in the previous section are bound to be seriously reduced. Since a partial basic income always needs to be topped up by conditional benefits to secure those who are intermittently in and out of work the subsistence level of income, eliminating poverty is administratively less straightforward, and will still require means or income-tests. A partial basic income, even if it is substantial, will also offer lesser support of unpaid activity, as well as less power to reject bad jobs. During the transition period, then, the degree of empowerment offered by basic income which is claimed to produce a better balance between labour, play, and diverse kinds of valuable but unremunerated work, will only slowly increase.

¹⁶ For reasons of time and space, I do not discuss this well-known fact about 'moral economy' in the welfare state, and the issues it raises. But that is not to suggest that it presents only a minor obstacle.

¹⁷ This is only one of the many possible ways of gradually reaching the full basic income objective, mentioned here only for purposes of illustration. See Van Parijs 2000, 15 and Offe, 2009, 76-77.

One might think that this transition merely presents a problem of exercising patience, of waiting long enough for the beneficial effects of the reform to materialize. But as explained below, I think the problem is more acute, if one takes the idea of full basic income as a concluding achievement of the welfare state seriously. One reason is the uncertainty about how long a transition from partial to full basic income would last.

Even the redistributive demands posed by the introduction of a partial basic income in the neighbourhood of half of the social minimum standard for individuals are considerable. Those demands will compete with preserving some existing instruments of preventing poverty and promoting equality of opportunity in welfare states, instruments which can not all be replaced by an unconditional dispensation of cash. We can think of government-funded education of good quality and healthcare here. Another competing claim is related to the indirect policy advantage of full basic income mentioned earlier. For modernizing the social insurance system in welfare states along the lines of lifecycle accounts, and extending these to growing numbers of flexible workers, will also impose a net cost to be traded off against the cost of the partial basic income. In general, as Barbara Bergmann has repeatedly stressed, the high tax burden of preserving a truly generous welfare state might well stand in the way of a full basic income even if it were phased in carefully by means of relatively low unconditional income entitlements¹⁸.

But in addition, any defensible transition to full basic income involves a moving target. For one fundamental way of preventing poverty over time consists in the 'equitable sharing' of the benefits of economic growth. In some welfare states, such as the Netherlands, this takes the form of indexing the customary level of subsistence income not only to inflation, but to changes in average wages. But even in welfare states where this is not done

¹⁸ See Bergmann 2006. She also argues that gender equality would be served far better by giving priority to the social-democratic welfare state than taking the basic income route. (Bergmann 2008)

explicitly, there is always a legitimate expectation that over a longer period of time, the basic-needs covering requirements which enter into social minimum standards should roughly follow the trend in real income per capita. It can be safely assumed that those supporting basic income for egalitarian and emancipatory reasons fully share this view.¹⁹

It is of interest to relate this fact to the requirement of liberal-egalitarian justice of granting basic income at its highest sustainable level. If that level is below the ruling norm of subsistence, as we are supposing it must be initially, then the liberal-egalitarian view implies that the transition period from a partial to a full basic income should be minimized. But evidently, there are clear limits on speeding up the process, since the constraints of economic sustainability themselves can hardly be manipulated by policy-makers. Now under the principle of equitable growth-sharing just mentioned, the objective of reaching a full basic income as fast as possible is constrained by the need to maintain a constant proportion of the social minimum in per capita income. This requires that the realized share of partial basic income in per capita income must progressively rise during the transition to full basic income. Hence the transition period we face in the welfare state is determined by the rate of change of this share.

This dynamic sustainability condition was explored by Philippe Van Parijs and myself, in our 1986 paper on the ‘capitalist transition to communism’. We there envisaged the possibility of an *indefinitely rising* share of basic income in per capita income, in a hypothetical process leading to a final end-point of communist abundance, of the kind sketched by Karl Marx in his 1875 comments on the Gotha Program.²⁰ We characterized what I have just called the transition from partial to full basic income as the first stage of this process (the stage of reaching ‘weak abundance’). While we now both believe that taken in its entirety, our exercise is only of limited

¹⁹ See also Purdy, 2007.

²⁰ Van der Veen and Van Parijs, 1986

interest²¹, I still think that the weak abundance condition of the first stage remains highly relevant for assessing the viability and political chances of getting basic income introduced and building it into a full one, in the context of developed welfare states.

Regarding viability in the narrowest economic sense, the question is how to reduce the uncertainty about the time it would take to reach full basic income, given a realistic starting level of partial grants. Clearly this goes beyond the simple task of economic costing. It will take a sustained effort of building up evidence (hopefully obtainable by small-scale experiments) to be incorporated in the right kind of economic modelling, the results of which would have to be communicated widely in a political discussion. But the issue of viability will also have to be framed in a less narrowly economic way. In particular, the relevant research agenda must include the inevitable complications mentioned above in connection with the wish to preserve the traditional elements of the welfare state which promote equality of opportunity. This means setting out clearly – and again, within the long-term perspective of a transition – which elements of the welfare state not covered by unconditional minimum income grants are morally and politically worth defending, and should therefore not be traded off in attempts to minimize the period of the transition. What I am suggesting here is that basic income movements in developed welfare states may have to recognize more clearly that this is the task which they actually face.

Since it is clearly a daunting task, it may help to explain why I think that it can not be avoided by adopting an opportunistic strategy of introducing a basic income ‘by the back door’. Such a strategy departs from the dual belief that while the radical proposal of full basic income may not have a chance of being explicitly implemented, an incremental process along diverse lines - earned income tax credits, exemptions from existing means-

²¹ See the last section of Van der Veen and Van Parijs, 2006.

tests and work requirements for special groups on the expectation of unpaid work performance, and moves towards a universal basic pension and child allowances – will not be opposed by major social and political forces²². The thought that an unconditional basic income might crystallize one day, as it were, following the infusion of the last grain of salt into a saturated liquid, might be plausible if it applies to some form of partial basic income.

However, stopping at a partial basic income is not good enough²³. As mentioned earlier, for the two main progressive policy advantages to materialize - eliminating poverty consistent with preserving dignity and self-respect, and realizing better balances of paid and unpaid work over people's lifetimes - a full basic income rather than a partial one is required. Of course this is not a question of *all or nothing*. For evidently, a partial basic income should help to achieve some progress, just as various piecemeal measures leading towards it could help to do. But I am convinced that in any realistic scenario of welfare state reform along the lines of the opportunistic strategy, an explicit proposal to move towards a full basic income will be bound to emerge sooner or later, unless 'social and political forces' are simply blind to what is going on. This is why I hold that the question whether the road to full basic income can be traveled, under conditions acceptable to a progressive coalition of 'friends of the welfare state' is an inescapable one.

Even getting clear and convincing answers on the issues of principle surrounding that key question is not enough, given the alternative of modernizing the welfare state by means of cuts and downsizing operations, which are motivated by the influential idea that we have to live with

²² This possibility was raised in Van der Veen and Groot, 2000, and discussed in detail by Vanderborght (2004) in a comparative study of Belgium and the Netherlands, see esp. pp. 31-34.

²³ An object lesson in this respect was the political response to the Dutch Scientific Council for Government Policy's carefully engineered proposal to institute a partial basic income (and stop there) in 1985 (see WRR, 1985). In addition to widespread resistance against the idea of decoupling income from work, political parties on the Left commented that partial basic income's beneficial effects of administrative simplicity, and its reduction of the poverty trap at the low end of the labour market, would be too small to justify its implementation.

diminishing resources of solidarity and must concentrate on improving the economy's competitive advantage. In this setting, many friends of the welfare state worry that the political dynamic of carrying through a partial basic income will put the traditional instruments of solidarity and equal opportunity in jeopardy anyhow. They would thus be prepared to resist the move to basic income unless this danger could be averted. And that there is a danger of that sort is not difficult to see, because basic income's first policy advantage can be realized more easily (*nominally*, that is) by gradually adjusting downwards the official social minimum criteria for what counts as poverty, relative to average income, and/or by making cuts in the public sector.

To make the proposal attractive for the still quite numerous defenders of the welfare state, then, there should be a realistic prospect of eventually reaching a full basic income after the introduction of a partial one, without giving up on core traditional instruments which basic income can not replace. There must also be political confidence that the project will not get stuck after, say, ten years in a *neo-liberal dead end*, with the ruling level of basic income being redefined as the new - and proportionally much lower - norm of subsistence for transfer purposes, from which people would also be expected to buy things like childcare and health insurance on the market.²⁴

For all these reasons, the friends of basic income still face a rather tough job in developed welfare states, despite the fact that some of their arguments are occasionally conceded when a political debate flares up. Perhaps this is understandable if you look at the apparently brighter

²⁴ An approximation to a basic income scheme in the form of a negative income tax at a level well below subsistence has long been attractive to the liberal Right as a way of gradually getting rid of welfare state bureaucracy, as argued by Milton Friedman back in 1968. in 'The Case for the Negative Income Tax: A View from the Right', in *Issues of American Public Policy*, edited by J.H. Bunzel (Englewood Cliffs, New Jersey: Prentice-Hall, 1968): 111-120. Not all on the Right are opposed to full basic income however. See the BIEN address of the Canadian senator Hugh Segal (Segal 2008).

prospects for introducing a Citizens Basic Income in the different circumstances of Brazil, at a much lower level, and measured against a different standard of existing social provision. Here is how Senator Suplicy put the issue in his contribution to the *Basic Income Studies* debate on basic income and employment in developing countries:

“In examining the pros and cons of the Bolsa Família program, society will become more and more conscious of how the gradual move to the CBI will contribute to the healthy development of the nation through the following: eliminating bureaucracy, since it is no longer necessary to know how much individuals earn in order to give them the CBI; removing the stigma or feelings of shame that result from people having to reveal their income to obtain a CBI; explaining to the Brazilian public everyone’s right to receive the same CBI, with those who have more wealth or income contributing for themselves as well as for everybody else; reducing unemployment and poverty traps by ending economic dependency; ensuring that any economic undertaking made by anyone will always increase their progress (through gaining greater economic benefit beyond the CBI); removing the incentive for workers to not register with employers; and supporting human dignity and freedom by virtue of each person receiving a CBI as an inalienable right to participate in the nation’s wealth. The CBI will also contribute to the nation’s competitiveness and to its development with a greater sense of equity among the whole population.”²⁵

It is striking to see how similar these arguments are to the ones I have put forward in this talk concerning the desirability and potential policy advantages of a full basic income in, *inter alia*, my own country in the Low Lands. It is just that people making such arguments have a far more difficult time of getting them permanently on the political agenda in comparatively rich and redistributive rich welfare states. In this introductory lecture, I have tried to spell out the reasons why this is the case. My suggestion has been that ultimately it may be possible to make progress, if the friends of basic income engage in a serious moral, economic and political discussion with the friends of the welfare state on both the principles and the details of a

²⁵ Suplicy, 2007.

basic income trajectory. To suggest that basic income is the crowning achievement of the welfare state, as I put it long ago, may have been a bit too quick, even though it has the minimal virtue of at least announcing the form of the debate I would favor. What my suggestions virtually rule out, however, is the idea that a basic income may get introduced in the welfare state by stealth, through the back door rather than the front gate.

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