



Basic Income: A New Form of Realistic Utopia

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Tomasz Chabinka from Liberté! magazine interviewed Guy Standing, a British professor of Development Studies at the School of Oriental and African Studies (SOAS), University of London, and co-founder of the Basic Income Earth Network (BIEN).

A lot of people perceive universal basic income as some sort of magic wand that would solve allsocial problems. But can universal basic income solve any problems at all? People may spend all the money they would receive and still be poor in consequence...

I have advocated the basic income for the last 28 years and I've always said that one must perceive basic income as a part of a new strategy for giving stronger freedom to people, reducing the inequalities in society and giving people a greater sense of personal control over their lives. For me those three things are crucial. And basic income by itself will not solve the problems we're confronted with, and particularly the growth of the precariat. But without basic income I cannot see a solution to the growing inequalities that we're experiencing, the growing insecurities that millions of people are experiencing, and growth of the precariat, who are vulnerable and are being forced into losing rights and as a consequence becoming - as I call it - supplicants, rather than having rights. Basic income shall be perceived as building a new system of income distribution suitable to the realities of Poland, of Great Britain, or any other country in the 21st century. In a context where wages will not go up on average. In Europe, we are facing a situation where the long-term decline and stagnation of the real wages is the reality that we must accept. And therefore we either accept the fact that growing number of people will be in the precariat without any security, suffering from anxiety and all sorts of other problems of stress and social illness that come or we're going to find a way to provide basic security to people. I think that's the answer to your question. It's not a panacea, not a magic wand. But it is an essential part of a new policy, a new form of realistic utopia, a realistic progressive agenda that can help unite people. And I would say to your readers and everybody else: open your minds to the new ways of responding to the crisis that we are facing. Because the old policies have not worked and will not work. And that's the reality.

So labour unions cannot help precariat? Do we need basic income to do that?

No, I would say that we need unions. We don't need labour unions in the old sense, but we need unions in general. I belong to a trade union, I have always did in various ways and I work with unions. But I keep telling them that they must change. *They* must change their strategy, their rhetoric, their agenda. And they must be open to the idea of the basic income. Often, the old-style trade unionists are very dogmatic, very against the idea of freedom. The idea that we should actually trust our fellow citizens, our fellow people that if you give me or you, or a woman out there some security, there may be a few who will waste it, but most people want to improve their lives. If they get security they will try to improve their lives for the sake of their children, they will try to make things better. They won't be satisfied just sitting around on a basic income, they would want to improve their lives. I believe in humanity and I believe that 99 % of people are like that. We want to improve our lives, the lives of our children, our relatives, the loved ones etc. If you have 1% of people who are not willing to do so - okay, I feel sorry for them, I would want to encourage them to be better citizens and so on, but I'm not going to design social policy system that is oriented to the 1% of a population. You've got to think of the vast majority. And in my opinion we have to get away from this religious, false-religious, way too moralistic social policy to the one that strengthens people's emancipation and gives everybody basic security. And I think that makes for a good society.

Are you not worried that it will not be 1% but rather 20% of people who don't know what to do, what's their aim, who just sit around watching TV all the time?

I am very confident that the moment we have a system that does precisely what you have described, it would create a situation where many people are so insecure, so many people have the prospect of earning a low income that they are discouraged, anomic, and they feel hopeless. And that is what's causing the passivity and the abuse of alcohol, drugs and watching stupid television programmes. Only when people have the sense of basic security do they have the confidence to take risks in building a life. Risking failing requires a degree of confidence. And I really think that we have to get away from this moralistic view. But the only evidence we've got from around the world is that if people have basic security, they work more, not less. And when they work, they're more productive, not less. I describe this phenomenon in my various books, I show how the evidence is accumulating. And it comes from the sense: I feel I belong to a society, I'm getting something from the society and therefore I feel I'm a member of, let's say, Polish society, in a real sense. And therefore I will participate and I don't have an excuse to feel sorry for myself. I mean, it's very easy when you get defeated, and defeated and defeated yet again, to eventually give up. But if you've got basic security and you know that your neighbours have it, and your friends and so on, you can feel "I've got a chance!". And people who are in such circumstance benefit psychologically. We've just seen that with the pilot studies even in India and Africa, and other studies that are conducted. And I would say to the critics: you are criticising from a position of prejudice. And often, the critics are people who have middle income situations, they give their children pocket money, this money gives them security, and they are prepared to do that. So why should they be against everybody being in such a situation? And when they gave the pocket money to their children and support for their children in this middle-class, they didn't become all lazy, they developed themselves.

Okay, but there were some experiments with negative income tax. These experiments have rather negative results so in what way is your proposition better and how is it different from negative income tax?

First of all, the negative income tax experiments in the United States did not have negative outcomes. One of the extraordinary things was that all those experiments were showing mixed effects, relatively small effects on labour supply - some showed it went up, some showed it went down - and it was in the middle of those experiments that the Republican administration congress abandoned them. A friend of mine has done a very good analysis of over 300 studies that were done, and he has concluded that they were inconclusive. But negative income tax is not the same as the basic income. Negative income tax is about the fact that if you're earning money from wages or earned income, then if it's below a certain level you get a credit and gradually you stop paying taxes at a certain level. That is not the same as basic income. A basic income is given whether you're earning any income or not, whether you're doing wage labour or some other form of labour. It's given as a right. The difference is that you start paying tax beyond the basic income amount.

And the thing about the negative income tax is that it was family-oriented rather than individual, where basic income would be individual. A family system, as always is the case, induces a tendency for specialization by the person who has the highest earned income potential and the tendency to encourage usually the woman, the wife, to focus on domestic work.

That is quite different from the basic income because basic income gets away from this gender bias. Because a woman has her own individual basic income and a man has his own basic income, and a child would have a basic income as well. And the way we've designed the experiments, the basic income of a child would be paid to the mother. So in actual fact you can use the basic income to strengthen the position of women or anybody who's in a relationship where they feel unequal and abused to leave it, because they don't lose their basic income. If they have an abusive domestic situation they can more easily get out of it. Because many women, for example, stay in an abusive relationships precisely because they cannot afford to leave.

So I think that the negative income tax experiments are not very relevant for the debate we're having now. What we've got now compared to then, is a huge precariat with low wages, low security. You cannot deal with uncertainty of this sort by social or private insurance because you don't know what's going to hit you tomorrow. And in a sense, the basic income is the reallocation of financial resources at the margin. To underpin the worst insecurity of all, the insecurity that you can have an accident and lose everything, be in debt, out in the streets living with all your belongings in a paper bag. A basic income gives an anchor. And I think it should be perceived in that way. It is an emancipatory tool as well as a way of using the fiscal system of redistribution at the margins to reduce the inequality in society.

And at the moment, whether it's in Poland, Great Britain, the United States, or Japan, the biggest problem we're facing is growing inequality of income, right? And we do not have, at the moment, any instrument to redistribute to the precariat, to give them part of the income of society. So it's very urgent situation because poverty, insecurity and inequality are all coming together.

But what about immigrants? Because it seems like introducing a universal basic income would require restricting the citizenship criteria. There is a lot of immigrants without any rights and without a right to this basic income so what about them?

I think one needs to realize that the huge number of migrants is already in the precariat. That's the reality today. I would say two things about migration and basic income.

The first is that when we're going to design the system, to start with, every Polish citizen would be entitled to basic income as well as a legalized resident, who is a foreign resident in Poland for a certain period before being entitled to receiving it. Ideally, everyone would have this right but in realistic, political terms, we would have to have a period when migrants would get access to those rights. But they would get gradually part of the basic income so that after such period they would have an access to basic income, if they have been in the country for more than two years or something like that. Because you say: Look, this is something that is paid out of the resources of Poland.

Now, the second thing I would say is: Look, at the moment in Europe we're having a situation where huge number of East Europeans - Bulgarians, Romanians and so on - are being drawn to go to other parts of Europe. We have a lot of Poles going to other parts of Europe and a lot of people coming to Poland as well. So you have a lot of foreigners coming to Poland - and, of course, more going out - and now I would say: Look, we have a fundamentally big problem of inequality across Europe. Why not use the European regional structural funds to launch pilot studies in Eastern Europe - Bulgaria or Romania - in poor areas, which would pay people to stay in those areas and try to build lives and communities out there. It would be an effective way of redistributing income and the stress migration, which is causing problems for their families back there and problems in labour markets here, because they come here having to accept very low wage jobs and dragging down wages in the other parts of Europe.

Therefore why not have pilot studies thanks to which - I've proposed this in Bulgaria- people would benefit from having a basic income and then we do an evaluation of what are the effects. Would a basic income in those circumstances lead to people having more capacity to develop their lives, be entrepreneurial, build their communities and so on? We shall alter the dynamics, so instead of people fleeing, they might come back. To me, we have to think differently.

But who will pay for that?

The point is that there already are some funds to do that. At the moment they are used at the European central level to fund subsidies to particular kinds of investments. Many of those investments would take place anyhow. It's actually subsidizing rich corporations or rich individuals but not the precariat or people in real income insecurity. So there are the funds.

I think this might be another way of subsidizing corporations, because corporations can pay less...

It doesn't matter. Supposing you have no basic income, supposing you're a woman with a small child. And then employer says: "Oh well, I'll pay you very little." You are going to be so insecure that you'll have to say: "Yes, all right." Maybe you'll be angry but you will say *yes* to such a solution.

If you have basic income and the employer offers you really low wage, you can tell him "Fuck off". So you have a stronger capacity to say *no*. Not automatically very strong, of course, I don't want to exaggerate, but you actually have a situation when you strengthen individual's bargaining position. So they are more likely to say: "I know you can pay me more because you're making big profits so you should offer me a decent wage".

But at the same time this might lead to some people saying: "Okay, so I've got a basic income, this old man needs some job to be done for him, he cannot pay me much, but all right, I'll devote part of my time

to do it". It actually allows people to be able to bargain from position of security, the position of more freedom. And I see nothing wrong in you working for a little old lady when she can pay you only a small amount of money. If you don't have a basic income you'll say to her: "I'm sorry, I can't work for you cause you can't pay enough and I've got to go and work for somebody else and probably migrate". The basic income alters the social and economic dynamics of work. And that, I think, is important. Particularly in our type of circumstances where a lot of elderly people need some work done but they can't pay much. And if there was a basic income they could pay for something they need to be done. You change the dynamics. And that is crucial.

Some libertarians think that if we have basic income, we stop being a society because we no longer have any obligations towards other people. Money magically appears on our bank accounts and we no longer feel the necessity to communicate with other people, there is no need for any solidarity.

I am familiar with this argument. It's ironic, coming from libertarians. Because libertarians are typically incredible individualists and they, sort of, allow for opportunistic behaviour, individualistic competitiveness and so on. In other words, they are quite the opposite of what they would be accusing basic income of doing. So it's ironic that that's the case. But it's also factually and psychologically wrong.

People who have basic sense of security are much more psychologically oriented towards feeling that they belong in a community. This security enables them to have a sense of agency, in sociological terms. Sense of agency, when they feel that they can be a social person. And actually, psychological experiments have shown that people who are provided with basic security are more likely to join associations, collective bodies. They are more likely to join cultural organisations. They are social and they are using their time more effectively. They also strengthen their sense of altruism.

I think that this is actually a very good reason for supporting a universal, equal basic income. Because it says to everybody: We are all equal citizens. This is a right that all of us should have. And the very existence of being an equal citizen is likely to make us feel well. You are a citizen, I am a citizen, therefore I'll work with you, help you when it is needed and reciprocate your actions. So I think the libertarian argument is both, ironic and wrong.