

CHICKEN OR EGG

END NEOLIBERALISM AND DELIVER BASIC INCOME, OR USE BASIC INCOME TO END NEOLIBERALISM?

Two of the core tenets of neoliberalism are the forced inclusion of more and more people as workers in the paid workforce through the withdrawal of alternative means of survival, and reduced taxation and government spending.

As speakers pointed out at the Basic Income Earth Network (BIEN)¹ Congress held in Tampere, Finland, 23-26 August 2018, the idea of providing a universal basic income (UBI) to all members of society is, in different ways, entirely antithetical to that. A full UBI would allow people to choose to spend their time differently – caring or creating, community building or campaigning – although the evidence shows that most would still spend time in paid employment as well.

Funding it would require that multinational companies and rich individuals pay their way in society, as they aren't doing now – an end to the increasing appropriation of the resources of us all by the 1%.

Which is where you arrive at the chicken and egg question.

Do we need to change our politics, to break the stranglehold of neoliberalism on most of our governments and international institutions first, so that they can end the torture of conditionality that's been so cruel to welfare recipients in the UK, whether being tortured by the uncertainty of the Work Capability Assessment or the swingeing blows of benefit sanctions?

Or do we find a way – perhaps as Philip Allston, UN Special Rapporteur on Human Rights and Extreme Poverty², suggested, by harnessing the power of public outrage at the denial of basic human rights that we see under the neoliberal settlement, to deliver a universal basic income, then use that change as a driver towards a different kind of politics?

Once we have a UBI, we would be giving everyone a reason to rely on and believe in the society that delivered it for them. It is the perfect reversal of the Thatcher doctrine of “no such thing as society”.

One of the points made again and again in Tampere was that public support for benefits is strongest for universal benefits. Britain's National Health Service, with free care at the point of delivery according to need, is one example. Another is the New Zealand pension – relatively generous and non-contributory, so therefore available to all after the age of 65³. And despite the extreme neoliberal trend frequently evident in New Zealand politics in recent decades, it has proved politically impossible to destroy or degrade.

One of the striking aspects of the BIEN Congress was that the idea of a UBI, or something very like it, is taking hold in some surprising places. One of them is the District of Columbia, Washington DC, population 700,000. At the request of a couple of council members, bureaucrats have prepared a plan for a negative income tax⁴ that could guarantee a minimum income for a city where nearly 20% of the population live under the extremely limited official US definition of poverty. The numbers are all there, and I asked the bureaucrats: is this politically feasible? The answer was a very firm yes.

Pleasing – and even more so when you imagine what the reaction of President Donald Trump might be to the news. Could Washington – the city rather than the Capitol – lead the way in what looks like a wildly difficult national climate?

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One recurring issue that arose in discussions at Tampere, however, was that a basic income is not the solution to all problems. Several speakers pointed out that while basic income can tackle poverty and destitution, on its own and without income caps and taxation, it does nothing for inequality. This inequality is the result of policies that have pushed a flood of money into the hands of the 1%, and that, on its own, UBI cannot change.

There's a risk that, without controls on landlords and speculation with housing, UBI would simply push up rents, leaving those relying on it no better off. It would also demand the continuation or creation of universal basic services, most notably in education and health.

Addressing this chicken and egg question, Dr Louise Haagh from the University of York suggested that UBI is "more likely to be the outcome of other democratisations of the economy than the driver of it". Dr Haagh proposed that good conditions for UBI are in already highly democratic, egalitarian societies - like Finland.

With the support of Fundació Nous Horitzons (Catalonia), Visio (Finland), Fundación EQUO and the Federation of Young Europeans, the Green European Foundation aims to foster the debate around a Universal Basic Income within the Green movement, as well as the within the broader European society, and to develop concrete proposals on how an EU-wide Basic Income pilot project should be designed to produce comparable results in different Member States. Find out more about the Universal Basic Income transnational project [here](#).

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But other speakers suggested the opposite direction is possible. Jorge Pinto talking about "Green Republicanism" suggested that UBI would bring in the idea of "radical trust" – addressing the institutional mistrust that is the current basis of the welfare state everywhere.

Tiago da Guz Bartholo saw UBI as a means address the rampant mistrust of the state evident in the rise of both protest movements and populism. A state that delivered for everyone could be something people believed in, as they're increasingly failing to do.

It therefore seems there is hope in both Washington and Finland, and anywhere where it is understood that the conditionality of welfare systems established in the 20th century fits ill with the modern developed world.

References

¹ <https://basicincome.org>

² <https://www.ohchr.org/en/issues/poverty/pages/srextremepovertyindex.aspx>

³ <https://www.workandincome.govt.nz/products/a-z-benefits/nz-superannuation.html>

⁴ <https://medium.com/@rmharrison/district-of-columbia-releases-policy-analysis-for-basic-income-eb096a641ac6>



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