

# Basic income as a pivoting reform

Basic income is a democratizing reform that is long overdue. A guarantee of basic security is necessary to allow people to stand as more independent. Other institutional adjustments are needed, but basic income will help other policies designed to support human development to be more effective.

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The proposal for a basic income — to give all residents a regular income stipend that is at least sufficient to live on and not dependent on means-testing or a requirement to work — has been making waves among academics and the wider public. The proposal was seriously discussed in the United States in the 1970s. It has recently made a comeback in Europe with a referendum in Switzerland in 2016, and in 2017 the Finnish government introduced a two-year official experiment investigating a version of this policy change. However, the idea remains controversial, with a British parliamentary inquiry, also held in 2017, rejecting it as a “distraction”.

There are some less well-known ways that the subject of basic income has been productive for policy discussion and scientific enquiry. Basic-income advocates have contributed to a more enlightened debate about the principled basis of public policy by questioning the validity of the leisure–work trade-off assumption in mainstream economics. For policy, the implication of this assumption has been a justification for increasingly combining protection and behaviour control functions within income security administration, on the premise that basic security will otherwise facilitate shirking. Instead, the basic-income proposal entails recognizing the motivating effects that security may have when granted on a more freedom-respecting basis.

In this context, however, advocates of basic income need to be careful not to overdraw the motivational effects of a single source of economic security. Research on motivation points to broader human interests in stability in employment and occupation, and in a form of distributing time for work, leisure, and care that affords individuals greater control. The key role of basic income as a pivoting reform in this context is to separate the granting of basic security from the governance of



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institutions that affect these distributions. Basic income may also facilitate democratic governance by differentiating the role of different policy instruments, thus enabling social policy to take on a more humanist form. The counterpart to this, however, is that the likely impact of basic income at a given time will vary depending on the established level of distribution and cooperation in society. The viability of basic income is therefore linked with broader democratic developments.

## The role of basic-income research

Three characteristics of basic-income analysis create scope for more detached enquiry about the justification for social policy. First, the basic-income proposal has historically been advanced by enlightened radicals with no direct political interest in the outcome. Even as Thomas Paine in 1795

advanced the idea of a universal stipend as a compensation for access to common property, his appeal was grounded in a reference to the axiomatic fact of natural human equality<sup>1</sup>.

Second, basic-income analysis has been productive for data collection. As basic-income analysis questions the sufficiency for human function of institutions in their current form, practitioners tend to view statistics based on existing institutions as too conservative.

Third, this critical vantage point creates scope for asking broader questions about the function of present institutions and the principles on which they are based. The left libertarian case for basic income that dominated between the 1970s and 1990s focused on an alternative choice of lifestyle, but in another sense represented critique of emergent dualism in employment systems<sup>2,3</sup>.

In the 1990s and 2000s, basic-income advocacy was bound up with a critique of the narrow basis of the roll-out of targeted cash grants in middle-income countries, offering a vision of a more stable and freedom-respecting anti-poverty policy<sup>4,5</sup>. More recently, a democratic humanist case for basic income can be linked with critique of the punitive turn in the administration of access to basic security in mature welfare states<sup>6</sup>.

### Clarifying the argument

The argument made by proponents of basic income that security enhances freedom helps us to understand how human development is a foundation for economic development. However, there is a case for seeking to delimit and clarify the role of a basic income within overall institutional change, as, classically, advocates have made ambitious claims about the contribution a basic-income reform might make to expanding the sphere of personal choice and freedom.

The most influential defence, by Philippe Van Parijs<sup>3</sup>, situates basic income as the basis for a choice of genuinely divergent lifestyles based in work or leisure that promises real freedom for all. I argue that to make real sense of this it is important to not view basic income in moral terms as a compensation for a general rise in economic insecurity, or as sufficient for enabling individuals to attain control over work and care on their own. Notably, van der Veen and Van Parijs<sup>7</sup> have also positioned basic income as a response to ways, they argue, that globalization has irrevocably eroded the scope that occupational life might offer individuals the opportunity to enjoy stable social positions.

A case for basic income in terms of sufficiency, while other sources of stability in work have eroded, does not do full justice to the wider claim that security is important because it enhances people's sense of control over their lives. Specifically, a focus on the ways that basic income is itself a foundation for freedom through lifestyle choice risks reproducing the binary logic of the leisure–work trade-off. Ultimately, a concern is that this view may lead us to construct freedom in terms of a choice between employment or work and leisure, leaving time for care as a function of leisure. We may be led to think that in order to reject a call for reciprocity that justifies sanctions on benefits, we must endorse the value of full independence. In place of confronting the collective nature of problems presented by scarcity and economic development, we may be led to expect that basic income may itself permit us to enjoy an equal share in

skills and technology. In sum, a potential upshot of overdrawing the effects of a basic income may be to present social choices as simpler and more individually based than they actually are.

Recognizing the way the claim for basic income in terms of human security intersects with the case for other democratic reforms delimits the argument in a way that makes it stronger. Survey research has found that supporting individuals' senses of intrinsic motivation and freedom in work depend on their access to stable employment and broader socially constructed sources of economic security<sup>5</sup>. This brings into view the way our access to leisure, more independence, and sharing of technology are social goals that depend on regulatory and development policy. Democratic development at the level of systems has been shown to be important to support overall control over time. Studies on mature welfare states find persons' composite security, well-being and control over time to be higher where resources for education and time for work and childcare are more widely shared<sup>6</sup>.

### A basic income enhances the potential for effecting change through public policy.

Along with this, surveys of precarious and gig economies show gender equality is being eroded in the context of large hierarchically structured labour markets as women lose the protection of a stable temporal structure of work and time<sup>3,8</sup>. These effects on gender are a window into a more general erosion of control over time that is a result of the structure of competition economies. It would be naïve to think a basic income can counterbalance that structure on its own and offer individuals effective control and equality. Even in more precarious economies, local cooperative institutions, such as labour unions, have been shown to support public policy that promotes training in firms, indicating that cooperation that promotes human development has a broad legal basis<sup>9</sup>.

The democratization of other developmental institutions, besides money, is thus involved in constituting freedom within human development. These institutions include families and systems of education, care-giving, employment and leisure, in which the question of how to grant security on a more freedom-respecting basis also arises. Freedom to engage equally and on equal terms with others in

care-giving, occupation and leisure is a prior condition of the real freedom to choose one activity over the others. Democratization of institutions of work and care is thus necessary to ensure basic income is not the source of a new dualism between work and leisure. It is also important to ensure scope for real equality is not undermined because a lifestyle choice to combine work, care, and leisure entails a pressurized life of unfreedom for all.

### A pivoting reform in systemic change

Overall, there are good general reasons to think of basic income in democratic systemic terms. The role of basic income in this context can be viewed as pivoting, in the sense that by shoring up individuals' basic stability it is potentially transformative not only of their lives and social relations, but also in offering a foundation for other forms of institutional change. Even if, as I argue, this change is not automatic, or created by individuals alone, a basic income enhances the potential for effecting change through public policy.

Today, basic income can be viewed in two delimited but key senses as a pivoting reform. First, basic income helps to situate persons in pivot positions, understood as independence positions, in which they can hedge risks by dint of enjoying separation between developmentally core sources of human security. In such positions they are more likely to have a summatively higher level of control over their lives and relations. Because basic income involves lifting conditionalities on basic-income support, and making that support permanent and individual, it helps anchor individuals' relationships with other institutions of work and welfare and with other individuals within them. Independent security enables partial separation, which supports engagement with others on a more voluntary basis.

Secondly, and because of this, basic income can play a pivoting role in democratization, by potentially redirecting the orientation and dynamic form of institutional development. Enjoying pivot positions does not mean standing alone outside systems: it means individuals' independence is supported within systems. Bremmer<sup>10</sup> has referred to pivot states as states that gain positions of security by not becoming solely dependent on one other state. My use is slightly different, in assuming individuals' hedging ability depends on the institutional development of the system as a whole. An example of earlier-stage pivoting reforms is the extension of the franchise. This event was brought on by several factors, including the

equality implied in the character of social mobilization during World War I. It was pivoting however in two senses. First, it gave electorates a new kind of power over elites. Second, it allowed a conversion in the function of democracy, which previously had served the purpose of balancing power between elites. The equality implied in the franchise built a logical case for equality of welfare or social rights, a dynamic that continued until successive crises culminated in the 1970s in the creation of a political opening for reversing the process.

For a period of nearly four decades, following deregulatory programmes in Britain and the United States, a process of unravelling developmental protections has evolved in a way that has weakened institutional tools to motivate work contribution. The rapidly rising number of benefit sanctions in Britain<sup>11</sup> can be viewed in this context as institutional failure leading to governance failure: the concentration of too many policy objectives (for example, to secure and motivate persons to work) within a single policy tool is the result of other tools being allowed to unravel.

Basic income is pivoting in this context. First, it is pivoting in relation to freedom extension because it helps to rebuild individuals' pivot positions, through re-enabling greater differentiation between different core forms of security. Second, basic income is potentially pivoting for other institutions' development; it creates a monetary basis and rationale for building new risk-sharing mechanisms and institutions between individuals directly and through public policy. Notably, government plans to update social saving are routinely being shelved in Britain due to the level of income insecurity at the bottom of the system, a case in point being the abandonment of raised contributions of self-employed workers in March 2017. A basic income enables contributory systems and new programmes of reskilling, because by taking individuals out of poor employment, it enables them to engage in developmentally transformative endeavours initiated by public policy.

It is important to realize that changes to technology in work and leisure cause new forms of fragmentation that make

resurrecting basic stability and local developmental opportunities a joint condition of human development and social stability in the future. Thinking of ways that basic income relates to development policy may be more important than ever. □

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#### Competing interests

The author declares no competing interests.