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## The Philosophy and Political Economy of Basic Income Revisited

Louise Haagh

### Introduction

In this chapter, I survey core narrative claims about Basic Income in historical global development and regional contexts. As a toolkit to place Basic Income in context, I propose asking how two sets of complementarities hold up in specific political settings. These concern, firstly, external complementarities, being conducive conditions, for instance, public finance and services capacity, and wider forces which shape these; and, secondly, internal complementarities between the elements of Basic Income (universality, individuality, unconditionality, permanence and sufficiency). Where one or both complementarities are weaker, feasibility of Basic Income is in greater doubt, whilst conversely claims may be more overdrawn, and both more contentious and less plausible. Having the internal and external complementarities in mind helps us to navigate the Basic Income debate, considering both world time and regional development contexts. I argue that the changed global context brings to the fore three paradoxes, which are linked with a disconnect between underlying conditions and contemporary opportunities for reform in the direction of Basic Income. Involved, first, is a claim that the feasibility and a range of positive effects of Basic Income are governed by a deeper condition, which is the attainment of substantive equality in society (Haagh 2019a). This gives rise to an analytical

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paradox—the Equality Paradox—because whilst Basic Income is commonly set out as an egalitarian basis for society, it is in fact dependent on prior and more complex conditions of social equality. In addition, secondly, whilst Basic Income is set out as a foundation for equal freedom, this effect too is in fact dependent on wider conditions of social equality. On the other hand, Basic Income debate is also governed by two linked Crisis and Opportunity Paradoxes, as Basic Income is more likely to gain visibility in the context of major crises, conditions which generate opportunity, yet which also compromise Basic Income in practice. The Crisis Paradox is a corollary of the Equality Paradox: e.g., it refers to the distance between a moral case generated by inequality, and feasibility and effects, generated by equality. On the other hand, the Opportunity Paradox refers to the greater risks of political deception in crisis conditions, for instance, the seemingly greater plausibility of a singular case for Basic Income in crisis conditions generates discursive risks, connected with overstating a Basic Income's effects precisely at the time when doing so is more likely to seem morally persuasive, whilst being factually wrong.

In sum, I claim that the Equality Paradox creates a difficult discursive scenario, whilst—at an analytical level—highlighting a need to set Basic Income in the context of the political development of society. Even if one is persuaded that a simple egalitarian resource distribution—possibly combined with basic universal public services—ought to dominate, the Equality Paradox entails that approximating this state is bound up with a longer, more complex process of democratisation of a range of resources and social relations. In sum, the Equality Paradox refers to the fact that Basic Income is not a condition for equality or freedom in itself, but is an *outcome* of forms of politics that support freedom and equality: yet advocacy tends to hold that Basic Income is a source of equal freedom in society and/or a form of social equality. This generates political and discursive dilemmas, in so far as setting up Basic Income as a singular foundation draws attention away from conditions that might bring Basic Income about and make it effective.

The paradoxes and dilemmas set out are active in the contemporary debate. Failure by post-war welfare states to implement unconditional income support on a universal basis has reinforced a singular focus within Basic Income advocacy, sustaining in turn a tendency to represent Basic Income as a response to systemic crises, and to beg crisis conditions in the rationale for reform. This activates the Crisis Paradox, to the degree that deepening crises in fact make Basic Income in a stable and public form less likely, yet narratives that present Basic Income as a crisis response are prone to overdraw a Basic Income's effects, reinforcing singularity. The Crisis and Opportunity Paradoxes manifest the Equality Paradox in contemporary

debate, by reinforcing a deceptive connection between effect and crisis. The Crisis Paradox gives rise to an Opportunity Paradox, because crises—real or imagined—enable advocates to draw out the effect of Basic Income on individuals' freedom and the power of direct transaction in the construction of better—more morally based—or economically effective, social relations, even when said outcomes are effects of inequality. This overlooks how proportionate effects are governed. I argue, in conditions of greater inequality, a Basic Income's effect, though relatively greater, is *substantially* smaller. On the other hand, freedom effects of Basic Income in conditions of greater social equality are *relatively* smaller but absolutely greater, because broader conditions support a Basic Income's effects. In all, I claim that whilst Basic Income offers evident relief from poverty and lack of control, sustaining these effects or translating them into wider freedom effects is highly conditional and uncertain today. Hence, taking the Equality and Opportunity Paradoxes into account, we can broadly explain how and when it is that claims about what Basic Income can achieve are often—and perhaps increasingly—out of step with reality. The answer to the political dilemma involved is to recognise Basic Income as a smaller part in a wider set of struggles to democratise society.

In this context, this chapter has two aims: to draw attention to narrative tendencies and risks as they relate to the present moment of rapid public exposure to Basic Income debates, and to explore how a wider contextual analysis can help us to identify trends and navigate contemporary debates. A general hypothesis is that weaker external complementarities—less conducive conditions—draw apart the elements of Basic Income. On the other hand, they also often lead to more abstracted claims, reinforcing the contradictions that have historically accompanied the Basic Income debate. In this context, attainment of substantive equality in society is important not only or primarily because this is a normative good, but because the public capability required for this has many of the elements also required to sustain a Basic Income and support its effects (Haagh 2011a, 2018a). More specifically, to draw this out, I explore how, given its wide informational scope, an Institutionalist Political Economy perspective can usefully help us to resituate narrative claims by drawing attention to deeper and changing structural conditions behind individuals' power.

To pursue these arguments, the chapter is structured as follows. I first give some background and unpack some simple problems that will enable us to navigate the Basic Income debate and its contextual dimensions. Next, I discuss how Institutional Political Economy (IPE) presents an analytical filter to help us assess the viability of claims, by allowing a more

detached analysis of contextual factors. Against this background, the third section considers how the global Basic Income debate has been shaped in different development and regional-political, as well as global, narrative contexts. A fourth section then looks specifically at how the unique period of public opportunity for Basic Income during the past few years generates new challenges and discursive ‘devil’s deals’ in the context of a long-term rise in inequality. I conclude by arguing that the way out of an age-old discursive paradox is to understand Basic Income as a small—if potentially key—element in societal change.

## The Basic Income Debate in Modernity

The modern origins of Basic Income advocacy are normally dated to the proposals made by two English thinkers, Thomas Spence and Thomas Paine, in the eighteenth century. The way both men classified what today we know as Basic Income, as ‘citizens’ dividends’, speaks to the roots of the Basic Income narrative in Anglo-liberal thought and economic development. Although Spence’s localised and communitarian outlook (Dickinson 1982: xiii) contrasted with Paine’s broader interests in a legally based liberal economy, both men centred their proposals in a notion of reconstituting common heritage through securing subsistence at a time of vast land appropriation. When registrations of new UK landholdings that emerged from the enclosure movements of the nineteenth century were published in 1872, they revealed 0.6% of the population owned 98.5% of the land (Fairlie 2009: 9). This stands in sharp contrast to land reform in Nordic states. As an example, by the end of the 1800s, according to Henriksen (2006: 17), in Denmark, about 80% of agrarian cultivation was in the hands of small-scale cooperatives. In the British context, Spence’s plans remained focussed on public incorporation of land ownership at the parish level. By comparison, it is generally recognised that Paine’s defence of citizens’ dividends formed a small part of his wider liberal political thinking (Lamb 2015). Not surprisingly, given its wider expanse and linkage with liberal political and economic theory, it is Paine’s, rather than Spence’s, legacy that has held sway in Basic Income debate and writing. Paine’s pre-industrial radicalism provides a basis for twentieth century libertarian accounts of natural right, and also voluntarist approaches to political agreement, which are both central to contemporary Basic Income narratives. However, it is questionable how far the substance of Paine’s radicalism travels well in terms of giving the basis for contestation

of contemporary sources of insecurity and unfreedom in structural and competition-based modern inequalities.

As Claeys (1989: 213–214) observes, Paine's linkage of theological arguments with secular concerns—thought extremely radical at the time—predated industrialist society and the social radicalist concern with dynamic productive processes. In his time, Paine was at pains to stress the moderate nature of what was then thought radical, by affirming that he was not concerned by inequality as such, but only that it should not make people poor: 'I care not how affluent some may be, provided that none be miserable in consequence of it' (Dickinson 1982: xiv).

Over time, as Basic Income as a principle has failed to be implemented within the welfare state, advocates have themselves taken on the portrayal of Basic Income as radical, in defence of freedom (Van Parijs 1995) or against state paternalism (Standing 2002). Hence, today, natural right arguments for Basic Income self-declare as radical, in the lineage of the received 'radical' tradition of Paine, thereby gaining legitimacy and traction, as revealed in the presentation of Basic Income as an alternative to regulatory provisions, on grounds of principle or in opposition to the form regulation takes.

Although Paine's distributive ideas were thought radical in their time, in today's context, where regulatory and fiscal welfare states have evolved, returning to a bare resourcist argument entails a regression in political terms towards an apolitical view of development governance. The tying of equal individual freedom to equal individual resources oversimplifies in two ways. Firstly, freedom states are not weighed in terms of resources, in particular not specific resources, but rather in psychological states: for instance, senses of freedom. Secondly, tying equal freedom to equal resources leaves politics out, for instance, political conditions that bring about institutions that support freedom in society. The significance of this in wider debates is often overlooked in favour of a concern with levels of distribution. The idea of radical simplicity has carried a great deal of weight even among sceptics. For example, Atkinson, who later tended to reject Basic Income on grounds of its contemporary association with libertarian thinking (2015: 221), in his early writing on the subject felt compelled to link the Basic Income proposal with a form of strict egalitarian taxation (Atkinson 1995: 24–28).

In all, I maintain that the origins of Basic Income advocacy in Anglo-liberal economic development has not only importantly entailed a view of Basic Income as in fact legally guaranteed in the form of personal property. In addition, it has also contributed to an illusory discourse on several counts

made possible by the resourcist and distributive, as distinct from the political and welfare-constitutive, accents which the early tradition established. Given its roots in inequality, the Basic Income scheme from an early stage was accorded a task of rectifying wrong that was beyond anything a single distributive mechanism could ever live up to. Arguably, the burden of responsibility thus entailed in Basic Income radicalism has carried over in successive global rounds of writing and debate. Anti-systemic narratives have pulled distant discourses and places together, and yet in the process have also constructed a broadly disembedded debate. Since the 1980s, with the formation of the Basic Income Earth Network (BIEN—in 1986), Basic Income debate has become a continuous global discourse. Around the year 2016, the topic became a global *public* debate, after a series of well-publicised campaigns, including the Swiss Referendum, which was preceded by the European Citizens' Initiative, and followed by the Finnish experiment: a state-led trial to test the effects of lifting conditionalities for 2000 unemployed individuals receiving public income support (see Chapters 20 and 21 in this volume). While not universal, the payments were unconditional for the experiment participants for the period of the experiment. The association on this basis of the Finnish experiment with the idea of Basic Income represents both the emergence of a global public debate and the difficulties with that debate, given the confusion generated around what a Basic Income is (see Chapter 2 in this volume), and, as I will discuss, with what a Basic Income entails and requires.

A relatively detached view of the Basic Income debate requires fresh questions to be asked. If Basic Income is an improvement, can it also be a double-movement—a basis for cementing new forms of exclusion, as famously Polanyi (1944/1957: 72–81) saw the civil right to contract in industrialising Britain as a double-edged sword—dubitably casting market freedom for all as equal freedom for paupers?

## The Anatomy of a Global Debate

Taking a journey of the Basic Income proposal since Spence and Paine makes a study of a narrative in opposition, which reveals a growing tendency towards framing Basic Income in terms of pure critique and utopia. The upshot of this is a discourse that is somewhat alienated from the conditions that support the integrity of Basic Income, and a set of claims that are in fact highly contingent, from the notion of realising everyone's rights to machines and know-how, to ambitious ideas about how Basic Income

generates freedom in and transforms society. As an example of how Basic Income takes centre stage in social transformation and justice, we can take four central propositions put forward by some of the most influential advocates of Basic Income, such as Philippe Van Parijs and Robert van der Veen, whose interventions during the 1990s and 2000s have had enormous subsequent influence in the Basic Income debate.

The propositions are as follows: First, social positions in society have been irretrievably eroded by globalisation. In 2006, with van der Veen, Van Parijs argued that a Basic Income is necessary to compensate for ‘dislocations that go hand in hand with globalisation’ (van der Veen and Van Parijs 2006b: 10). Indeed, ‘the more’ such dislocations become tied to globalisation, ‘the stronger the case for Basic Income as a demand of impartial justice’ (van der Veen and Van Parijs 2006b: 10). Van der Veen and Van Parijs here rest the defence of Basic Income on the uprooting that globalisation creates. While not necessarily endorsing it, the premise of uprooting is arguably taken as unproblematic in itself. ‘With a significantly more fluid economy and a significantly less stable family, this picture of a “stable society” in which “workers stick to essentially the same occupation throughout their active lives” loses touch with reality’ (van der Veen and Van Parijs 2006b: 9). Van der Veen and Van Parijs’ view that dislocations are resolved through distributive means is linked with their interpretation of Marx’s view of freedom as ‘voluntary productive contribution’. It follows that the problems of regulating work and its conditions are resolved through redistribution, and by moving the organisation of production into the individual and direct-contractual sphere. Work becomes freedom to the extent that it is absorbed into leisure (van der Veen and Van Parijs 2006a: 5). The connection of freedom with expansion of leisure, and, in this context, greater opportunity for a life of occupation (Standing 2002), has had a tremendous impact on Basic Income narrative and on its representation in popular media. For example, a recent promotional film, produced by the *Red Renta Básica* in Spain, begins by stating the threat of automation to jobs, and through the image of giving wings to workers, affirms the freedom that a Basic Income would provide as workers can seek better job contracts (Red Renta Básica 2019). This relates to a third recurrent defining feature of Basic Income advocacy in the natural rights tradition, which relates to the idea of rights in external, given things. In Van Parijs, for example, jobs are understood as assets in the market. Individuals’ talents are separate to jobs (Van Parijs 1995). ‘Jobs do not stick to people in the way talents do’ (Van Parijs 1995: 121). This entails a neo-classical account of the economy: jobs exist to the extent that markets create them, and markets create them to the extent that they are



needed. Competition for jobs selects talent, which inheres in persons, and so on. This helps to explain the understanding in van der Veen and Van Parijs of globalisation dislocations as fact: If jobs are external things which are given, and which essentially operate to produce wealth for a higher purpose, namely individual leisure, then there is no particular value or contention in relation to the form jobs take. Finally, fourthly: a distributive premise, resting on a world of given things, supports a recurrent connection that is made between Basic Income and diversity of choice in the space of different activities, which is also linked with an idea of control. A Basic Income promotes diversity: it allows choice among different life styles.

Van der Veen and Van Parijs support the neoclassical premise that deregulating the labour market redistributes work: ‘Combined with some deregulation of the labour market (no administrative obstacles to part-time work, no compulsory minimum wage, no compulsory retirement age, etc.)’ a Basic Income substitutes individual for collective power: ‘A Basic Income can be viewed as a strike fund, but it is one which can be tapped without the permission of the trade union leadership’ (2006b: 3). Van Parijs has made the point more recently that Basic Income enables individual morality to play a greater role in shaping social relations. As Bizarro (2017) summarises a conference presentation: Van Parijs ‘argued that ... if we eliminate the idea that people have to work in whatever they can to survive, the morality of what one chooses to do will come to the forefront, allowing the duty to work in a more meaningful way, to become centre stage as far as human activity is concerned’ (Bizarro 2017). In all, reworking of the natural law argument within the dominant left libertarian narrative establishes parameters, specifically the connection between dislocation and a new global justice framework, in a way that generates a particular optimistic view of Basic Income in relation to globalisation and crises.

On this account, Noguera (2007: 6), when attributing to left libertarianism a view of indeterminacy as a superior good attached to a vision of politics within a Basic Income society, provided an apt representation of the connection that I posit in Basic Income narrative between Basic Income and pure critique and utopia. *If* Basic Income will fulfil its promise to maximise indeterminacy, its force for good is in some way proportional to the delimitation of the social organisation of production and state intervention. As long as indeterminacy is a superior good, the provision of economic security falls heavily on Basic Income alone, accenting and locking in a voluntarist perspective on economic governance and politics.



Another important corollary of the emphasis on a Basic Income's direct effect on freedom, is to subsume the question of inequality within the debate about a Basic Income's design and level. As we have seen, van der Veen and Van Parijs are reasonably happy that inequalities are tolerable if everyone's basic needs are met, even if they recognise that the tax rate might be used to reduce inequalities as well as shape the level of the Basic Income grant (2006b: 19–21). Second, notably, van der Veen and Van Parijs acknowledge a more significant problem with informality in their eyes is the threat of lower quality leisure brought about by low productivity (2006b: 19–20). The tax rate and Basic Income level are thus constrained by the need to raise productivity through the market.

In summary, examining the central reasoning behind the most influential contemporary narrative within Basic Income debate points to two factors: (i) an acceptance more by implication than explicit analysis of the neoclassical premise that the market works—to optimise productivity and to generate needed jobs and technology, and (ii) from the point of view of freedom, the most important condition is basic security. Inequality is not unimportant, but it is secondary.

Yet it can be argued that this account skirts over the key role that the formalisation of production has played in raising public capacity for both redistribution and regulatory interventions to abate social inequality. Moreover, also obscured is how the two (redistribution and regulation) *in combination* may be counted as central in supporting levels of control that individuals can exercise over their lives. The libertarian account is heavily reliant on political solutions working themselves out—both nationally and regionally, and at the level of global justice at which the libertarian account is pitched. As I discuss next, an IPE perspective is useful in setting both the debate about, and viability and potential effects of, the Basic Income in a wider context.

## Institutional Political Economy (IPE) as Interpretive Method

IPE is a wide field, but four strands focussed on industrial, societal, human and financial features of society and economic systems can help to illuminate how contextual factors intervene in the debate by altering conditions for, variations and effects of, and claims about, reform in the direction of Basic Income.

## i. Comparative-Industrial IPE

The *development* school of IPE identifies positive features of social affiliation and ‘hybrid’ property rights arrangements (Chang 2011) as rational ways of coordinating individual and societal interests—as shown in the necessarily collective nature of investments in skills (Andreoni and Chang 2016; Chang 2001; Hall and Soskice 2001). A standard example is child labour. We now take it for granted in advanced societies that children are exempt from labour, yet we still imagine that the labour market is ‘free’ (Haagh 2004a; Solow 1990; You and Chang 1993). Today, the rise of services in weakly regulated labour markets is a deep cause of structural inequality, escaped only by deliberate interventions to compress wages in order to state-engineer the quality of private sectors jobs, which is most consistently and successfully done in Nordic states (Galbraith 2012: 166–168; Haagh 2015). Politics does not sort this out naturally: rising inequality is deeply connected with the way economic deregulation entails a breakdown of the rule of law (Milanovic 2016: 162–204; Stiglitz 2012: 187–206).

## ii. Societal IPE

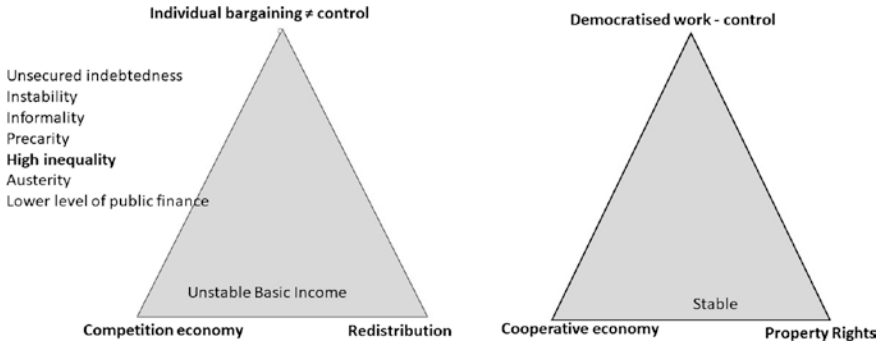
A second strand of IPE looks at the forms of, and levels at which, institutions interact within a *society*, and at the consequences for political agency. A relevant claim is that thoroughgoing institutional change is more likely to take a top-down than a bottom-up form (Hodgson 2005). National governance systems shape the structure and quality of employment: more ‘liberal’ labour markets, like that in the US, systematically generate more ‘guard’ labour’ (Bowles and Jayadev 2006) and junk jobs (Esping-Andersen 1990: 206–208). Given the emphasis on how formal and informal institutions are connected, societal IPE also guards against the ‘cardboard cot fallacy’ in policy learning, or the illusion of direct effect. For instance, when it was discovered that Finland, a country with low-cot-death, had been distributing cardboard boxes to mothers since the 1930s, countries with higher cot death, for instance Britain, attempted to reduce cot death by distributing cardboard boxes, until it was pointed out that other Nordic countries with similar social traits to Finland, and which also had low cot death, had not distributed cardboard boxes (Packham 2018). Similarly, a Basic Income having a positive effect on outcomes such as freedom as control, or democratic participation, must be considered contingent on the whole make-up of civil society.

### iii. Human IPE

A third strand of IPE involves a broadening of focus to include systems of human activities and social relations (Haagh 1999, 2019a, b; Pagano 1991, 2017). In human IPE, the notion of hybrid property is extended to encompass mechanisms that protect human development processes, thus generating property rights in stability through a combination of developmental protective institutions and policies (Haagh 2012). This permits a wider measure of freedom as a *state* of well-being that is informed by stability in place and activities (Haagh 2019a). It also points to wider measures of how such a state is protected. To illustrate: human IPE suggests that we should distinguish between four senses of property. Firstly, we need to distinguish between material and nonmaterial property, or owning a particular thing or resource, and enjoying a state. Secondly, we need to distinguish between legal and institutional meanings of owning. For Basic Income, the important point concerns the way in which the substance and impacts on freedom of legal titles are shaped by the development of hybrid property in human development.

Hybridity represents higher levels of formalisation of economic life, and higher levels of resource sharing, and transparency in the form that this sharing takes. Hybridity is therefore a condition for the flourishing of social and economic rights, and Basic Income is no exception. As a relevant example, Ugo Colombino (2009) have shown that tax neutral financing of Basic Income is most plausible in societies with high levels of formal female inclusion. Human IPE also offers a frame for understanding why public support for occupational life—the development of a dimension of occupational citizenship (Haagh 1999, 2002a)—relies on a composite number of social rights. In all, human IPE enables a deeper, multi-level, analytical filter that enables us to consider and compare Basic Income claims and debate across time and space. We can assume that the form and extent of the formalisation of the human economy shape the form of feasibility—and the views prevailing concerning—potential effects and trade-offs connected with reform in the direction of Basic Income. This formalisation is central to enabling substantive social equality.

An upshot is to question the directness of the *impact* of Basic Income on freedom, and thus to nuance a common claim within Basic Income debate. In stylised terms, the way that this connection (Basic Income—freedom) is mediated by developmental systems is set out in Fig. 14.1. The two triangles represent the logic of two different systems that are instantiated in the



**Fig. 14.1** Institutional political economy and Basic Income as 'control'

development of more hierarchical capitalism, and more egalitarian capitalism, respectively. The first is shaped by weaker and the second by stronger hybrid property in human development (Haagh 2012, 2015, 2019a). The key assumption here is that the level of overall formalisation of human economy shapes impacts of individual rights and distributions, the level of control that individuals enjoy in the economy, and the way that control is accessed, for instance, through individual bargaining or democratic institutions, respectively (Haagh 2019b). Concomitantly, public finance and regulatory conditions matter, in relation to income and in relation to more substantive forms of social equality. Besides national differentiation in models of capitalism, the first triangle in Fig. 14.1 also represents the global shift towards neo-liberalisation and financialisation of the global economy, led by—if not confined to—Anglo-liberal and middle-income countries with already high levels of informality and/or social inequality. An assumption can be made that a Basic Income's direct impact will be greater, but its comparable impact will be lower, in countries with high informality.

Secondly, and relatedly, an implication of human IPE is to give a deeper explanation for narratives and debates about, and public attitudes to, Basic Income across time and space. Svallfors (2006) has shown that attitudes to welfare are heavily influenced by the class basis of the institutions that shape experience. Human IPE goes one step further and assumes that congruence of institutions with core human development needs affirms legitimacy and affiliation, as well as an informed public and a critical culture. A progressive tendency in Britain to rely on a uniform low level of means-tested assistance to support working-age adults contrasts with a range of instruments to support this group in Nordic states (Haagh 2012). This difference maps onto contrasting views of income security for working-age adults. For example, based on results of the late 2010s, the European Social survey shows that

in Britain 65% of respondents—the most negative attitude by far among OECD countries—think that welfare makes people lazy, compared with 44% in Denmark (Brooks 2012: 208). Britain outflanks all other countries on this measure.

An implication of this is to add another analytical layer to the ‘frame’ literature, which looks at how discursive strategies affect public opinion. In sum, whereas in general radical discourses can be portrayed as relatively more illusory—given the limited impact of a single policy—this phenomenon is both more likely and differently accented in conditions of high inequality. As already noted, Anglo-liberal capitalist development and liberal thinking have been extremely influential in shaping the Basic Income argument and its political presence. Over time, differences in welfare state development have exerted increasing impact. When the Basic Income proposal first emerged as a serious policy proposal, in the 1970s and 1980s, a different turn in welfare state development was being consolidated and deepened, once again setting the Anglo-liberal states apart. In 1975, taxation in Denmark represented only 37% of Gross Domestic Product (GDP), scarcely higher than Britain’s 34%. By 2000, Denmark’s rate had increased to 47%, whereas Britain’s had fallen to just under 33%. These ratios have since remained roughly similar, with the US rate of around 25% remaining broadly unchanged over time.

Writing on Basic Income in continental European states during the earlier period, e.g., in Germany, Belgium, and Holland, focussed more on labour market stratification, which fits a ‘dual’ industrial structure, and the lower levels of female occupational inclusion of these societies compared with the emerging Scandinavian model. Regional variation also shaped the female perspective during the period of maturing of Basic Income scholarship between the 1970s and the 2010s. In Britain, Parker’s argument of the 1980s that women should be paid both a Basic Income and a care allowance (Parker 1989: 229) fits logically within a welfare state structure that protected women’s status as mothers, exempt from expectations connected with market work that prevailed in Nordic states. The later critique of Basic Income libertarianism on grounds of gender (Haagh 2015; Robeyns 2001, 2008, 2010) was predated by many Danish feminists of the 1980s who saw Basic Income as a potential threat to women’s occupational rights (Christensen 2002).

What is striking in this context is how comparably radical the Danish proposition for social reform—which eventually encompassed Basic Income—was conceived, yet how pragmatic remained the view of its development, which in Denmark at that time was thought would span three

or four decades. Meyer et al. (1978) thought that a humanistic economy should be developed gradually, through common organising of production and a gradual equalisation of wages. For example, Meyer et al. questioned the benefits of unregulated free trade, and the commercialisation of bio-technological research (Meyer et al. 1978: 42–43, 31). They were critical of ‘an economic system that is *primarily* based in productive efficiency in conditions of hard competition’ (Meyer et al. 1978: 33; author’s translation), including the consequences for wage repression that follow from this logic (Meyer et al. 1978: 33), and the idea that the market mechanism ‘works’ (Meyer et al. 1978: 35). They thought that fostering the competition economy simply entails that ‘competition outcompetes – freedom – so to speak’ [author’s translation]. Meyer et al. were critical of specialisation as a model for organising production in pursuit of economic development (Meyer et al. 1978: 93).

In recent debate, a more egalitarian form of economic liberalisation in Nordic states has informed the way in which scepticism about Basic Income has focused on preserving the ‘common economy’ and solidarity systems, which—critics believe—Basic Income discourse threatens. Similar concerns are also raised in Britain (Atkinson 2015; Cruddas and Kibasi 2016), but an increasingly influential set of concerns in the Anglo-liberal context focus on affordability, and losses to the poor within a low-benefit, low-wage economy (Haagh 2019a; Martinelli and Pearce 2019), reflecting the long-term effects of a deeper accent on public austerity.

In all, we can draw from this how the level of formalisation of human economy and the form of public finance play a key role in regional variation within Basic Income debate both in discourse and practice. Among advanced states, a lower level and more redistributive form of public finance—whereby the wealthy pay a greater share of benefits directed towards the poor—are relevant factors in explaining why projected levels of Basic Income tend to be meaner in Anglo-liberal models. Lower levels of public finance in terms of GDP in these cases also help to explain a tendency to stress external forms of funding for reform in the direction of reform in the direction of Basic Income.

Similarly, public finance and regulatory capacity, along with structural conditions of ownership in the economy, play a key role in accenting debates in developing countries. It is no surprise that unconditional cash grant experiments in Sub-Saharan African countries, with lower levels of public finance, such as Kenya, are dominated by an aid logic. By contrast, in Brazil, the *Bolsa Família*, covering a quarter of the population, and at the heart of debates about the scope for converting targeted cash grants into a Basic Income, is fiscally administered through a municipal-federal system.

This system compels municipalities to spend a share of local revenue in exchange for federal support (Lindert et al. 2007). Public finance capacity thus explains the greater coverage and legal coherence of cash grants extension in Brazil, compared—say—with India, where pro-poor distribution is closely tied to the political cycle (Nayyar 1998) within an electoral-premised political democracy and a highly differentiated informal economy increasingly characterised by resource rent-seeking (Jenkins 2019: 128).

#### iv. Financial IPE

A fourth strand of IPE linked with interpreting the expansion of financial economies in the context of global marketisation is helpful in further illuminating the consequences for Basic Income narrative of changing global conditions. In formal vernacular, Financialised Capitalism (FC) refers to a global-level transformation in the logic of capitalism beginning in the 1970s with the breakdown of the Bretton Woods managed financial system, and evolving over time through successive stages. For example, Lapavistas (2009: 1) refers to financialisation as ‘a structural transformation of core capitalist economies that has gathered momentum since the crisis of 1973–4’. Formally, financialisation can be measured by the level of commercialisation of assets. For example, Krippner (2005: 174–175) describes financialisation as ‘a pattern of accumulation in which profits accrue primarily through financial channels rather than through trade and commodity production’. However, many scholars argue that the process of financialisation cannot be separated from structural inequalities (Stockhammer 2013: 944). This is important to bear in mind when considering how far Basic Income can offer a response. Financialised uprooting creates not only a personalisation of responsibility, but also inability to support this responsibility, individually or publicly.

As many development economists have argued (Minsky 1993: 18–24; see Sen 2015; Stockhammer 2013: 945), the central problem in development is not levels of debt in terms of GDP, but rather whether productive systems are in place to stabilise and sustain debt, and insulate individuals and firms. For example, average household debt in terms of GDP is higher in some of the wealthier and more equal countries in Europe compared with some of the most financially unstable and unequal economies in Latin America. Denmark’s ratio was 131.7 in 2017, and in the same year the ratio was 127.8 in Switzerland, and 93.7 in the UK, compared with 7.1 in Argentina, 37.0 in Chile, and 50.1 in the EU as a whole (CEIC 2018). At the same



time, there is significant, and on some measures growing, inequality between mature economies in terms of the ability of average and low-income households' to service debt (Grant and Padula 2018), which similarly relates to differences in structural inequalities and regulatory capacities. In Nordic countries such as Sweden, Denmark and the Netherlands, the percentage of arrears was 3.5, 2.2 and 1.0% respectively, whereas in Mediterranean Europe it ranged from 14.2% in Greece, to 2.9% in Italy. Ability to repay is greater among higher earners, the better educated, older people, and among couples. Households in arrears are more likely to have seen earnings fall. Unsecured debt has risen faster in countries with weaker regulation, even after the crisis. For example, the level and rise of unsecured debt were much higher in the UK compared with other OECD states in the 2010s (Stockhammer 2013: 29–31). In contrast, the rate of unsecured and debt arrears are much lower in Denmark, despite higher indebtedness compared with both the UK and South and Eastern Europe, regions which face greater risk as a result of inability to service debt (Civic Consulting 2013: 3–5), linked with relatively lower take-home income, rooted in higher inequality.

In this context, to better understand the 'problem' of financialisation in relation to Basic Income narrative, it is necessary to understand how financialisation and governance are linked. Financialisation extracts profits from risk, and hence feeds on the destruction of hybrid property, which in the end includes states' regulatory and fiscal powers—the very capacities on which Basic Income depends—and the common services which sustain its effects. The 2008 crisis merely extended a growing contradiction between the background for Basic Income and the case for this reform as an instrument of development and freedom. Inability to reassert regulation and taxation, as documented by the International Monetary Fund (2017), has allowed asset concentration, income inequalities, and social exclusion, to continue to rise as states' redistributive efforts are reduced and/or have become less effective.

On the other hand, the 2010s were also a period in which the narrative about Basic Income regained prominence. Europe's renewed focus on a moral concern for the plight of the unemployed emerged in response to some of the same processes already affecting middle-income countries: growing precarity in employment, and relative poverty. This case was underwritten by the emergence of punitive sanctions policies, and in a context of austerity, a range of other public policies devised to reduce the scale of dependence on state transfers in OECD countries (Haagh 2019b). In countries already committed to developed social assistance, these policies had dubious justifiability, given the exclusionary consequences, and the increasingly precarious form

of work that individuals were required to accept. The upshot was to expose a deep tension in Basic Income narrative between the moral case for *income* security, and the claim that Basic Income might generate *economic* security, or economic freedom, given rising stratification of both income and opportunity among states in both the OECD and the Global South. The moral case and the scale of challenges to Basic Income generate the Opportunity and Equality Paradoxes that I discussed at the outset.

Having conditions in view also enables a broader view of opposition to and endorsement of Basic Income under changing conditions, such as liberalisation processes today, which deepen informality and threaten equality. In conditions of higher social equality, opposition is more likely to be 'constructive'. 'Constructive' critique is characterised by being in principle more convertible, under certain conditions. An example of convertibility in the context of more universal systems is Svallfors' (2011) finding that groups (self-employed) in Sweden previously resistant to universalism were converted to it after the 2008 crisis. Universalism had to be in place and effective for conversion to occur. Conversely, in conditions of higher informality, support for Basic Income among elites is more likely to be 'oligarchic', that is, preservative of systems of high inequality. Finally, in conditions of liberalisation, advocacy for Basic Income is, as said at the outset, prone to an Opportunity Paradox. Where opportunity coincides with liberalisation, advocacy is more likely to become opportunistic. In all, both populism and oligarchy are more likely in conditions of high informality and inequality, which generate a convergence of forces pushing for compensation and seeking legitimation.

In sum, against the background of global economic changes, and of public visibility, Basic Income narrative changed. Political opportunity in a constrained environment exposed a discourse and a debate linked by self-contained ideals and projects to new discursive risks. Below I discuss the emergence of a differently accented form of advocacy for Basic Income, linked more explicitly with improving anti-poverty policy, as a redistributive focus within development accompanied the attempt to give a 'human face' (World Bank 2000) to economic liberalisation programmes pursued first, and with the deepest effect, in developing countries. The focus on Basis Income as a right to economic security emerged as a discourse contesting the remnants of punitive Victorian paternalism, thus resonating with a wider liberal humanist discourse. However, the dismantling of proactive development policy further isolated Basic Income advocacy from more broad-based and proactive visions of development, public provision of welfare, and the role of the state, as I examine next, for first developing and then developed countries.

## Liberalisation, Poverty and Basic Income in the Global South

Between Widerquist's second and third waves within North American and European debates (see Chapter 3 of this volume) another wave arose on the basis of the effects of neo-liberalism in middle-income countries, principally Latin America. The immediate context of the debate about Basic Income and the focus on poverty was linked with the emergence of conditional cash transfers in Brazil and Mexico, and later in other countries, including South Africa, during the 1990s.

The connection between Basic Income advocacy and social policy debates in development has been influential in restating a wider rationale for a civic form of social rights. However, the starting point in rising poverty has turned out to be a poisoned chalice in many respects, by hinging the case on converting norms and funding from systems devised for temporary relief. The notion that Basic Income would arrive first in developing countries has been crushed by many writers (Lavinás 2013; Lo Vuolo 2013). Structural factors undermine inclusive, formal systems of human development. The hierarchical form of capitalism in Latin America (Schneider 2013), makes for a highly stratified labour market (Lo Vuolo 2013), and a conservative tenor in social policy. The unexpected long-term reliance on cash grants schemes, such that a quarter of the population in Brazil depends on such grants through the *Bolsa Família*, belies the conservative assumptions about desert that govern the scheme (Lavinás 2013: 41–43; and see Chapter 16 in this volume), even in a country such as Brazil, which has been lax in implementing conditionalities, compared with countries such as Columbia and Mexico (Cecchini and Martínez 2012). Motivational effects of income security in Brazil are weakened by informality and historical educational and occupational stratifications (Haagh 2007a, 2012).

In Sub-Saharan Africa, development agencies' abandonment in the 1990s of support for public investment and insurance policies destroyed systems needed to support local community production and livelihoods (Stiglitz 2012: 54–55). The World Bank's and International Monetary Fund's more recent interest in Basic Income fits within a development model increasingly premised on advocacy for privatised welfare. As Davala et al. (2015) discuss, liberalisation of education in India since the 1990s, as in Sub-Saharan Africa, which was encouraged by development agencies, proceeded apace as part of economic liberalisation and the 'unburdening' of the state, generating a complicated scenario for India's Basic Income pilot. In South Korea,

a fast innovator in public policy (Haagh 2004b), the topic of Basic Income was a feature of the 2017 elections, with a proposal for a ‘life cycle’ dividend and a ‘basic’ dividend (of an equal value) paid to non-working age adults and those above 65, and to the disabled and low paid, respectively. The proposal was modelled on a voucher scheme for youth tried out since 2016, with a beneficiary pool of almost 18,000 24-year-olds in Seongnam city, in a province outside Seoul (OECD 2018; and see Chapter 21 in this volume). The way in which Korean development economists are divided on Basic Income illustrates issues at stake when considering Basic Income along with other development policies and institutions. Some see Basic Income as a plug in rising inequality (Hankyoreh 2016) as the position of South Korea has shifted within a classification of varieties of capitalism, based on inequality and growth measures, towards an Anglo-liberal variant (Lee and Shin 2018). Others—such as Ha-Joon Chang—are concerned that the policy will militate against the development of collective welfare goods (Polychroniou 2017). Hence, the case of South Korea illustrates issues at stake when considering Basic Income along with built-up development policies and institutions.

## Globalisation of Basic Income: Developed Countries After the Crisis

The fourth global wave or spike in public interest in Basic Income emerges after the global financial crisis of 2007, and the deepening of public austerity policies, and growing poverty and inequality in core capitalist states, that followed. The globalisation of Basic Income discourse coincides with growing interest in piloting or experimenting with features of Basic Income in the real world. A relevant question in this context is this: Is crisis the most conducive context for Basic Income, and, if so, what kind of crisis? Or more precisely: what dose and form of crisis? The recognition within the institutional literature that significant change often takes the form of a ‘cumulation of seemingly small adjustments’ (Thelen 2009: 475) is highly applicable. A plausible hypothesis here is that more developed public systems are less likely to experience major structural crises, and that they are better able to recognise and respond to smaller crises (as in recent experiments that address the dysfunction of income assistance sanctions systems in Denmark, Finland and Holland) (Haagh 2019c). In hybrid cases such as Scotland or Canada, debate about or experiments in Basic Income, or mechanisms with characteristics similar to Basic Income, are more likely to be focussed on poverty.

The globalisation of Basic Income narrative changed the debate in several ways. In the altered global context, a long-standing tendency to draw out the centrality of Basic Income might turn out to be illusory in so far as a Basic Income's impacts are created by other policies. Relatedly, the global Basic Income narrative has also been reshaped by the emergence of new actors in the debate. In a context of global dis-embedding of economic life, a singular form of Basic Income narrative has become a shared language among financial institutions and actors, and globalisation protestors. The double-sided nature of the Basic Income defence in the contemporary setting—its moral justification in response to rising inequality, yet a tendency towards singularity—generates a series of devil's deals and common analytical traps.

The devil's deals concept was first used by Judith Tandler (2002, 2004) in relation to anti-poverty policy in urban Brazil in the 1990s, specifically in relation to tax exceptions for small and medium-sized firms, which Tandler argued appeared to support business development and employment, while in fact promoting low-wage informal employment, thus downgrading the development of the formal sector in Brazil, retaining a low-skill equilibrium and informal economy, with significant poverty. In the context of Basic Income debate, devil's deals obscure the nature, feasibility or impacts of Basic Income, posit false trade-offs between Basic Income and other policies, or practically involve accommodations that compromise implementing a full, stable and/or effective Basic Income over time. Devil's deals in the contemporary development context are framed by the movement towards neo-liberalisation and financialisation of the global economy, although this context plays out in both general and more particular and variegated ways in different countries.

Common devils' deals—from the general to more particular—include *neo-liberalisation*, whereby Basic Income is used as a justification for governance through the market; *fatalism*, whereby Basic Income is viewed as necessary to compensate for wider insecurity; *polemicism*, where Basic Income is pitted against supplementary policies; *Basic Income populism*, defined by immediate needs for the resolution of grievances; *informal marketisation* and *illiberalisation*, where Basic Income becomes a plank in extending a development paradigm based in weakly regulated economic relationships; *financialisation and uprooting*, whereby Basic Income absorbs existing inequalities through the instrument of individual finance; *simplification and displacement*, whereby Basic Income is used to increase the deregulation of wider economic security structures; and *decoupling*, linked with experimentation in partial models. In this context, Basic Income is also prone to two conceptual traps that generally affect single-issue politics: the *crisis* and *rescue* traps.

Specifically, the linkage of Basic Income advocacy with real and imagined crises, as exemplified in the debates about job displacement and relative poverty, both of which some see as inevitable and others as preventable, reinforces a view of Basic Income as settlement, a form of rescue from more intractable problems.

Next I look at the locally embedded nature of these analytical risks within the new settings and actors that characterise defence of Basic Income in the post-austerity period, followed by a discussion of the issues at stake. While it is impossible to cover the wide range of new narratives, four new trends can be identified, linked to: (i) new forms of grassroots activism, (ii) consolidation of the globalised financialised system, (iii) aid and new informal communities, and (iv) experimentation within public bureaucracies with limited features of reform in the direction of reform in the direction of Basic Income.

### **i. Grassroots Activism and the Europe-Wide Project**

In 2016, popular initiatives, including citizens' pressure for a referendum on Basic Income in Switzerland, and a Citizens' Initiative within the European Union, under the institutions of the European Parliament (see Chapter 21 of this volume), put Basic Income on the media agenda, particularly in relation to the crisis of representation of those outside employment or in precarious employment. At the same time, a narrative for Basic Income aimed against existing economic security mechanisms walks a tight-rope between democratisation from within and populist disintegration. In the context of the rise in OECD countries of punitive benefits systems, and actors rightly or wrongly perceived as having a stake in it—for instance, trades unions—a key feature of grassroots activism in Europe after 2016 is opposition to state welfare paternalism in general. In Denmark, frustration at the lack of engagement of the labour movement, and proposals to shift the subsidy for unemployment mutual societies towards funding a Basic Income, fill a representational gap, as trades unions are argued to be ineffective in representing unemployed groups and those in precarious employment. In Germany, as well as in the USA, new groups linked to activism prefer crowd-funding for parastatal 'social' forms of Basic Income. In the 2010s, Basic Income was taken up primarily by fringe parties formed around specific campaign issues, for instance, Green Parties (environmentalism), Pirate Parties (anti-censorship of the internet), and new so-called peoples parties (nationalisation of money). More recently, Basic Income has been taken up as a single-issue party platform (as in Sweden in 2017). In 2018, Basic Income advocacy



became linked with populist movements across Europe, from the left-right populist alliance in Italy (where the anti-establishment Five Star Movement and the right-wing League have gone into coalition, preparing to set the eurozone's third biggest economy on a path of tax cuts, an income for the poor, and the deportation of 500,000 migrants), to some intellectuals and activists linked with the French *Gilets Jaunes* (Yellow Jackets) (Mouvement Français pour un Revenu de Base 2018). The connections between vague notions of Basic Income and populist movements in Italy and France, with significant tax cuts, and (in Italy) mass deportations, illustrates the potential for Basic Income advocacy becoming usurped into new populist narratives (British Broadcasting Corporation 2018).

## ii. Consolidation of Capitalism

Besides the well-known propagation of support by prominent platform capitalists, notably Zuckerberg and Musk, owners of Facebook and Tesla respectively, global development and financial institutions such as the World Bank and the International Monetary Fund (IMF) have taken up the case for Basic Income or similar mechanisms in some limited form. A case in point is the IMF's 2017 Fiscal Monitor, which recognises Basic Income as a viable policy alternative, alongside a need to consolidate fiscal states by raising the level of tax, and the need to support public education and health services. First, whilst the IMF's recognition of the dangers of public finance erosion is a significant u-turn, it formulates the challenge of the fiscal empowerment of states primarily in terms of raising top rates of tax (International Monetary Fund 2017). Notably, the political outcome of a redistributive tax system, with money drawn from the rich and distributed to the poor, is a smaller welfare state and a lower level of sharing of resources and rights (Haagh 2012, 2015; Hills 2014). The International Monetary Fund reasons that Basic Income is potentially a good idea in developing countries on the grounds that resources are needed to protect welfare services, which then frames Basic Income against other social policies.

## iii. Aid and Informal Communities

The linkage of the case for Basic Income with the extension of cash grants in developing countries, as described earlier, makes a natural connection as noted with the global financial institutions, and also with aid-giving in general, on which anti-poverty policy in the Global South is heavily dependent.



A range of new aid platforms have sprung up around the push for Basic Income pilots in Namibia and India, and on a smaller scale, Brazil (see Chapters 16, 18, and 19 in this volume). The way that new major initiatives, such as Give Directly, which funds a twelve-year experiment in unconditional cash grants in Kenya, are viewed as having an affinity with Basic Income, illustrates a new orientation characterised by Basic Income-related initiatives outside the public framework of states. A similar phenomenon is seen among activists in Europe, as already noted, as well as among cryptocurrency groups, which have allied with Dutch activists to explore a case for alternative currency-based Basic Incomes, whereas other groups view Basic Income as a form of philanthropy. These deviate from a classic (public) conception of Basic Income that is also broadly central to academic scholarship of both right and left.

#### iv. Experimentation Within Public Bureaucracies

The recent Basic Income debate has also been heavily shaped by experimentation within public bureaucracies, which is distinctive because it is focussed on incremental change within existing welfare arrangements. The significance of public experimentation for the Basic Income debate is twofold. Firstly, the occurrence of limited experiments in advanced, more horizontal welfare states, provides instantiation of a new narrative within Basic Income debate emerging in the 2010s, linking the prospects for Basic Income with social democratic welfare states (Haagh 2011a) and public services (Jordan 2008). Secondly, the varied forms of experimentation illustrate the embedded character of real (public sector) transformation and its emergence in response to neo-liberalisation challenges (Haagh 2019c). It is significant that Finland, Holland and Denmark are all states in which governments (relative to, for example, Sweden and Norway) have pursued variants of flexicurity, that is, flexibilised employment on the back of state-provided security. The outcome is a highly market-sensitive form of provision of income security, which in turn challenges classical paternalist norms. To illustrate further, the concern in Finland with incentivising low wage work, and at the same time streamlining public bureaucracy, can be set in the context of the forefronting of the experiments by a right-wing government, on the one hand, and a gradual flattening of public income security, on the other hand (Halmetoja et al. 2019). In Denmark's more decentralised governance system, municipalities have been in the lead in experimenting with lifting conditions on unemployed claimants (Haagh 2019a, b, d).

In the Netherlands, experiments have been more systematically concerned with testing behavioural theories (Groot et al. 2019), with the emphasis on voluntarism and care in some of the models reflecting the more dualistic approach to work-life/care balance in Holland compared with Denmark (see Chapter 21 in this volume).

In the next section I discuss how some of the devils' deals listed earlier play out in some of these and other contexts. Notably, the discursive problems discussed are all linked with the change in global development. However, some characteristics—for instance, simplification, decoupling and displacement—are more evident in built-up welfare states, whereas others, such as neo-liberalisation and the rescue trap, are easier to spot in countries with larger informal sectors. While acknowledging the overlap across discourses and countries, I start with more general problems, then look at discursive traps connected with informal development, before—more briefly—discussing mature welfare states.

## Devil's Deals and World Time in Development

The notion of World Time refers to a shared global framework for debate across even very structurally dissimilar countries. One of the uses of the concept is in pinpointing the prevalence of certain policy paradigms and programmes of structural change in the face of divergence. The contemporary World Time of deregulation, rising inequality, and public austerity generates the context for devils' deals in the context of global Basic Income debate. A changed global development context pushes Basic Income discourse towards accommodation, including by making Basic Income common cause with a portrayal of neo-liberal reform as a response to—and resolution of—inadequacies within post-war welfare provision.

### i. Neo-liberalisation

Friedman's advocacy of the Negative Income Tax was tied to his association of economic and political freedom with breaking down the state in favour of the market. Neo-liberalisation of the Basic Income debate can refer in this context to the reduction of ideas of personal control to the basic linear premise of Friedman's argument (Friedman 1962, 1970, 1990). Neo-liberalisation is a devil's deal because it distorts perception of the wider conditions for reform in the direction of Basic Income.

Neo-liberalisation of Basic Income debate also refers to a general outcome in which Basic Income debate supports neo-liberal development reforms in discourse or practice, intentionally or unintentionally. A relevant example is the instrumentalisation of classic arguments for Basic Income in the defence of neoliberal globalisation. According to Ravallion, Basic Income ‘has a strong appeal in allowing guaranteed protection from poverty, while retaining the economic advantages of an open and competitive market economy’. Quoting van Parijs’ left libertarian case for Basic Income, Ravallion (2017: 19) associates the introduction of Basic Income with ‘replacing the existing unemployment benefits and other allowances’, doing so quoting van Parijs’ left libertarian case. According to Ravallion (2017: 19), ‘Van Parijs (1992) ...argues for “Basic Income capitalism,” which combines private ownership of the means of production and free markets with a Basic Income for all’. Arguably, Ravallion’s take here is fairly general, but it is noteworthy that Basic Income is invoked—as in this case—in an argument against mainstream critics of inequality (for instance, Bourguignon 2017; Milanovic 2016), and within an argument that portrays labour informality as a positive way of contesting protections within the formal sector (Ravallion 2017: 16).

Corollaries of neo-liberalisation include Fatalism, the Crises and Rescue Traps, and Polemicism. As noted, marketisation invited fatalism and the crisis paradox, by generating grounds for a form of Basic Income defence that takes the market project as irreversible or fact, side-lining questions about the market’s good or complexity, in favour of describing Basic Income as rescue. If marketisation has invited fatalism—the idea that social positions are irretrievably eroded—then in turn austerity has reinforced polemicism, by drawing out a historical narrative tendency to pit Basic Income against regulation (for instance, minimum wages, work-time regulation, labour standards, needs-based welfare, and so on). In turn, a notion that Basic Income is ‘radical’, or a broad solution to contemporary problems, plays into the hands of sceptics who see Basic Income as a ‘policy alternative’. A good example is the charge that Basic Income necessarily competes with universal services (see further Haagh 2019a for a critique): an argument initiated by think tanks in the UK under conditions of deep public austerity (see Chapter 12 in this volume).

## ii. Economic Populism

The conditions for the rescue trap also carry a risk of populism or the perception of it in relation to the portrayal of Basic Income in media and political circles. When talking about Basic Income populism, it is important

to distinguish between discursive populism and political populism, the latter being the manipulation of subjects in the pursuit of power. The former may serve the latter, but they are not the same. To illustrate: discursive populism can be an *outcome* of distortion by the usurpation of an idea by others. Or it can be an outcome of applying a purely theoretical idea to a more complex real context. Discursive populism can involve political self-deception, as defined by Galeotti (2018) as ‘the distortion of reality against the available evidence and according to one’s wishes’. Libertarian philosophy is defined by wishing individuals’ power were greater, and to this extent it is prone to self-deception in the context of addressing more complex governance problems. It is thus evident that in a context of political opportunity for Basic Income at a time of neo-liberal globalisation, Basic Income narrative would be prone to discursive populism, given the strong influence historically of libertarian theory or reasoning in making the case.

An example is the idea that Basic Income can support meaningful and more self-organised work and work collaborations. This claim is naturally more plausible when scaffolded by more stable employment. In altered conditions, the same claim to remain plausible must either be carefully qualified, or combined with a broader analysis. In the same way as minority shareholder activists were dogged by accusations of usurpation into global finance nexi (Lim and Jang 2006: 19–20), in East Asia, as in Europe, setting up Basic Income as a distinctive source of emancipation or governance spells a new monetary populism, characterised by mistaking basic monetary resources for power. The example of digital and cryptocurrencies are both good and related examples of issues at stake. As a public innovation, digital currencies can enable public systems to reach individuals and bypass clunky systems dogged by middlemen, as argued by Le Roux in defence of a form of Basic Income system for the case of South Africa (Le Roux 2006). Parallel digital currencies are potentially more transparent than ‘crypto-currencies’ in terms of members and funding. However, three fundamental problems remain. Such currency projects do not include everyone in a political territory—hence they are not viable as ‘rights’. They are not backed by a central bank, and are therefore unstable. They are not subject to public democratic oversight, and hence are liable to persistent error, or fraud. These conditions turn portrayal of parallel currencies as Basic Income into a form of discursive populism, promising what cannot be done. More than that, in reality, it is difficult to disentangle the risk of political populism from parallel projects: what is to say ‘leaders’ or ‘programmers’ are immune to misuse of their political power, or to manipulation by others? In sum, whilst an IPE perspective can predict and explain more detached narratives about monetary

freedom in a context of deregulatory reform, it also helps us to understand the risks of populism this very context entails. IPE has shown that stable money systems are characterised by their formality and diversity, and by the institutionalisation of money flows into separate streams, individual, institutional and public (Haagh 2019a; Chang 2012; Haagh 1999; Pagano 1991). In this context, advocates could argue that a public Basic Income enables local currencies to operate, which can avoid conflating the two.

### iii. Informal Marketisation and Illiberalisation in Developing Countries

The term ‘developing country’ is often replaced with ‘middle-income’ or ‘Global South’. Here I use the term specifically to refer to countries with less developed formal institutions of public welfare protection. In countries with complex and multiple subsidy systems, direct cash support offers both a more technocratic route to an income secure society, and in many ways a comparatively greater degree of citizen autonomy. This is the case, for example, made by Ravallion (2017). However, in economies of high inequality and informality, causes of lack of autonomy and economic security run much deeper. Given the growing debate about Basic Income in India, I will use this as a primary example.

#### The Case of India

A good example of ways legal poverty intercede in shaping outcomes of a prospective Basic Income is India. At independence in 1947, India was a feudal society. The early decades following independence entailed concerted attempts to formalise, redistribute, and stabilise property in land, through recording ownership, redistributing unused land to the landless, and implementing property ceilings (Ministry of Rural Development of India 2009: ii, 23–27). Whilst such policies were only very partially successful, liberalisation policies in India since the 1980s have been charged with raising income concentration to the rate of the Raj (Chancel and Piketty 2017), whilst contributing to further segmentation of land structures, without replacing informal systems that allow bonded labour ties to continue and deepen. According to Chancel and Piketty (2017: 1):

Over the 1951–1980 period, the bottom 50% group captured 28% of total growth and incomes of this group grew faster than the average, while the top 0.1% incomes decreased. Over the 1980–2015 period, the situation was reversed; the top 0.1% of earners captured a higher share of total growth than

the bottom 50% (12% vs. 11%), while the top 1% received a higher share of total growth than the middle 40% (29% vs. 23%).

Informality of land use and relations is classed as one of the most important obstacles to reducing poverty and insecurity in India today (Ministry of Rural Development of India 2009: 117–118). The period of economic liberalisation has not only failed to solve, but has deeply compounded, these problems. According to the Ministry of Rural Development (2009: 189), landlessness rose from 40 to 52% of the rural population between 1991 and 2005. The period since the passing of the Panchayats (Extension to the Scheduled Areas) Act, in 1996, has involved massive transfers of agricultural and forest land for industrial, mining and development projects, or for infrastructural projects, creating ‘rural unrest and distressed migration’ (Ministry of Rural Development of India 2009: iii). Moreover,

[t]he corpus of tribal lands is subject to continued erosion not only through the process of Government led process of acquisition but also through the institution of moneylenders, collusive title suits, illegal permissive or forcible possession, unredeemed usufructuary mortgages, fraudulent and illegal transfers, abandonment and making incorrect entries in the records-of-rights. (Ministry of Rural Development of India 2009: iii)

One investigative team found that the legal processing of peasants’ claims against others’ possession of their lands was dysfunctional in the recent period, with court rejection rates as high as 90% in some states (Ministry of Rural Development of India 2009: 156). Moreover, in the late 2000s, ‘about 90 per cent of the leased area... is informal and unrecorded. The landless and the marginal farmers constitute the bulk (91%) of those leasing in land’ (Ministry of Rural Development of India 2009: ii). Absence of systematic land surveys means that public records are obsolete. ‘Even where the survey operations have been conducted, instead of being completed in the stipulated 4 years they have dragged on for more than 40 years’ (Ministry of Rural Development of India 2009: vii). A later report by the Government of India, focussed specifically on the proposal to liberalise land leasing, claims that existing laws aimed to protect property rights drive informal contracting in a context of inequality of ownership of land and of weak farmer access to productive resources. According to this report:

Restrictive land leasing laws have forced tenancy to be informal, insecure and inefficient. Informal tenants are most insecure and inefficient, as they do not

have legal sanctity and access to institutional credit, insurance and other support services. In addition, restrictions on land leasing have reduced the occupational mobility of many landowners who have interest and ability to take up employment outside agriculture and yet are forced to stay in agriculture due to the fear of losing land if they lease out and migrate. (Government of India 2016: 4)

This description reveals the double-edged sword that liberalisation of leasing entails, because whilst freeing up more productive use of resources, and potentially formalising economic relationships, creating transparent lease arrangements generates market relations without first redistributing property and without a policy to provide and stabilise access to the productive resources that farmers need. In this context, formalisation of transactions and contract arrangements, whilst providing more transparency, does not generate real income security, productive stability, or senses of ownership. The landless are still dispossessed.

The bottom line is that the case of India highlights the need to set the problem of Basic Income in relation to prevailing development models, and the broader question of economic property: and in this context the way that cash transfer schemes contribute to economic stability is mollified by the general state of economic property in land and housing. As Chancel and Piketty note, the reduction and subsequent rise in inequality in India are a product of a number of combined factors, not only tax rates, but also the rate of public ownership, and the lack of capability to provide land and services free of charge (Chancel and Piketty 2017: 26–27), in addition to public investment. The absence of such actions, and of a land registry even today, mean that the share of taxation from income in terms of GDP is half of that of states like Brazil, and less than a quarter of the OECD average (Chancel and Piketty 2017: 26–27). In all, lack of recording, formalising, redistributing, and stabilising property, entail a form of legal poverty prevails, which besides being a source in itself of unfreedom within informal social hierarchies and structures, also compromises public revenue and regulatory power needed to enable legal reform and secure people's basic rights. For example, as shown in the case of initiatives taken up in Karnataka, West Bengal and Andhra Pradesh (Ministry of Rural Development 2009: 121–122), extending public investment programmes successfully involves buying up and redistributing land, along with investment in rural infrastructure and services (Government of India 2016: 4; Ministry of Rural Development 2009: vii). However, whilst such land redistribution has been central to lowering poverty and raising redistribution of the fruits of economic growth, it is the exception among Indian states (Kohli 2012: 193–195).



The point here is to highlight how the debate about Basic Income in India today is occurring alongside a wider battle over property enfranchisement. The Basic Income proposal was born in Britain during a time of rapid dispossession not dissimilar to the conditions that we see in India today. As a relevant comparison, the inclusiveness of monetisation in Nordic states relied on the concomitant development of extensive land reforms (Haagh 2019c; Kananen 2013). Appraising such factors suggests that a coincidence of development of income assistance with land and property redistribution builds a more resilient basis for rights to income and other forms of economic security, in both law and effect (Haagh 2019a, d). In comparison, monetisation in a modern digital age runs parallel with a form of illiberal marketisation of economic relations in India. Any new distributive scheme, especially to the degree that it becomes reliable, will be converted in use within other prevailing formal and informal systems. Given the low level of public finance, and high inequality, it is hard to see how a Basic Income might be accepted in India except as a targeted form of unconditional cash grant.

In sum, we can surmise how Basic Income debate in India is necessarily bound up with a wider discussion about the form which reformalisation of India's complex economy is going to take. India is in this sense representative of other countries with large informal sectors. Since India has one of the largest levels of wage inequality by gender, an immediate positive effect of a partial Basic Income scheme would be to enhance gender equality. Combined with other efforts to formalise property, extend public services, and support public employment, a Basic Income's progressive effects could thus be considerable. An important challenge, however, would be how to ensure that public employment schemes could continue on a new basis. And a wider question is whether any of this is likely. In the case of land, a more recent government-commissioned report (Government of India 2016) addresses the problem of lease-rights mentioned above, but leaves aside recommendations by the Rural Development Ministry to give legal title to common lands (2009: 225) and to give Homestead rights (to housing and land) to all landless and houseless labourers.

In all, the possibility of distributing cash directly to the poor in India has come to be represented within schemes to consolidate and extend India's market-led model of industrialisation. Referring to neo-liberal reforms in India as marketisation is a misnomer in many ways, in so far as markets require formal and transparent as well as participatory ownership structures, such as recent market reforms have further depressed. Indeed, looking at the dominant discourse on development in India there is much to suggest that

cash distribution schemes may be usurped into the evolving system of informal and uprooted production (Rajan et al. 2018). A set of economists linked with management consultancy and the World Bank recently made a list of recommendations for India, including ‘moving beyond the cash versus kind debate by adopting a choice-based approach on an experimental basis ... [giving] beneficiaries the choice of opting for a cash transfer instead of subsidized food ... instead of policymakers opting for one or the other’ (Rajan et al. 2018). This sounds and perhaps is a move towards a partial form of Basic Income. But the case for cash is for a carefully targeted programme. A progressive report in many ways—recognising inequality as too high, and formal female participation as too low (Rajan et al. 2018: 2), the recipe is for more of the economic liberalisation that has pushed already low female employment rates down from 35% in 1990 to 27% in 2017. Recognising the trap of low-skill, low productivity jobs, the report recommends yet further liberalisation of work contracts, public monopoly privatisation and land acquisition to enable industry and services to operate ‘on a larger scale’, enabling India to ‘position itself as a viable alternative for cheap sourcing of goods and parts’ (Rajan et al. 2018: 2–3). Further, whilst the report recognises the need to boost tax revenues, it recommends a move to ‘charging users for government services’.

Notably, there is already a precedent for a means-tested transfer scheme in India, in the form of the Direct Benefit Transfer system, introduced to overcome scheme fragmentation and bureaucracy in 2013 (Patnaik 2013), and hailed as an instrument for rationalising access, eliminating duplication and fraud, and generating public savings (Sharma 2018). By 2017, this mechanism was used across over 400 schemes, by over 46 ministries. The characterisation by Rajan et al. (2018) of this mechanism as a good starting point in creating a ‘pipeline for providing compensation for losers’ raises the pivotal question of how far in the new development context Basic Income discourse rather than real Basic Income schemes—which seem unlikely—is in fact already usurped in the narrative construction of a new compensatory state. This is because, whilst supporting greater independence of peasants by alleviating the consequences of debt obligation requirements, the unequal land ownership structures that make debt peonage a reality remain. As Davala (2018: 138–139) documents, cash payments help farmers to ‘snap’ the worst form of debt dependence. However, despite this, arguably, debt remains central to subsistence and a part of social relations. For farmers, instability in output and isolation, and for landed labourers the role of cash grants, generate a cycle of cash dependence arising in many cases from wider

economic insecurities, which in turn emerge from a lack of public insurance to control ‘life events’. The cash grant helps landless people to move from direct bonded labour to labour market dependence. In other words, Basic Income would buffer desperation, but it would not be able to change the structural causes.

A question that needs to be asked in this context is what kind of economic formalisation monetary digitisation entails within an otherwise informal and hierarchical economy of work and education. Will card or paper cash be sufficient to enable individuals to have control over the local resources and services they need? In Latin America, centre-left governments, such as Lula’s, which expanded cash grants, were seen by many as favouring Basic Income (Standing 2008; Suplicy 2002), but they failed to undertake substantial land reforms. Despite reducing inequality from extremely high to high levels, and alleviating income poverty, the rise in money circulation enabled by cash grants tied poor individuals into new debt cycles, as cash grants became an asset in credit markets (Lavinás 2018). In Latin America, the flagship of so-called ‘New Developmentalism’, namely pro-poor policy, has been undermined by the extractivist model: even the anti-poverty effect began to decline after 2012, as the export boom linked with growth in China began to decline (North and Grinspun 2016: 1496). A wider problem is that digitisation within an otherwise informal economy does not really stabilise property or place, or formalise key social relations and services—if anything, it facilitates and justifies uprooting and informality on a new scale. In India, government enforcement of the digitisation of money has been shown to expose poor individuals to fraud, and to the threat of loss of civil liberties, as the manipulation of personal security data is in the hands of private intermediaries operating weakly supervised charges (Ghosh and Chandrasekhar 2017: 433–435).

Hence, ultimately, a digitisation of economic security, which, as in India, promises to resolve duplicate payments and other forms of ineffectiveness, occurring in the context of a privatisation of finance and services, will transfer the same problems to the private sector, where they will be harder to find and reverse. In the end, the problem of adequately funding and governing public services cannot be resolved by individualising economic security and marketising economic relations. It is thus more important than ever to underscore the way wider emancipatory effects of Basic Income are connected with the problem of public sector development.

## Basic Income and Devil's Deals in Developed Welfare States

In developed welfare states where public experiments in lifting conditionalities have been dubiously titled 'Basic Income' experiments, the political pressure to seize this apparent opportunity to push Basic Income is great. The perceived need to test Basic Income, or even just elements of it, to demonstrate its effects, has led in practice to a *decoupling* of the elements. This may be a devil's deal if a strategic accommodation simply leaves something like a Basic Income stuck without a real political understanding of how a real Basic Income might be reached, and why it matters. Relatedly, the idea of Basic Income as a form of simplification of mature welfare systems is a devil's deal in a context of neo-liberal public austerity defined by the use of cuts and new public management methods to shrink the size of the state. Within national debates, the idea of simplification can mean removal of cumbersome behavioural checks, but there is also the risk that simplification can be understood as an extension of a drive to generate a single low level of income security. Opportunity for Basic Income could become a curse.

This juxtaposition also holds at the European level. For example, initiatives for a European Union-wide Basic Income come up against the reality of a fracturing European free movement project under the aegis of a pan-European free market and public austerity reforms. The prospect that a Euro-dividend might support frictionless and secure movement across European borders might be illusory, as the flexible regional labour market has coincided with rising intra-state inequality (Stiglitz 2012: 220). The 2016 Brexit vote in Britain, combined with the rising influence of protest parties across the continent, suggests that the legitimacy of European Union institutions is crumbling.

A flexicurity trap is in this context a corollary of the simplification argument. In Nordic states and Holland, a trend towards 'flexicurity'—best exemplified in Denmark—entails beefing up public income security to support labour market flexibility. It supports the poor in comparison with the more punitive income security framework in Anglo-liberal states. It has led some Basic Income supporters to argue that Basic Income is a natural extension of flexicurity (Haagh 2019a, d). However, this could be a conceptual trap. Over time, income support has grown more punitive in Denmark as flexicurity has matured (Haagh 2018b).

Taking human IPE into account, recently released results from the Finnish experiment that lifted some conditions and controls on unemployed claimants, can be presented as evidence of potentially transformative effects of Basic Income in two appropriately delimited ways. Firstly, from a human IPE perspective, well-being effects, and confidence about future financial prospects (Kangas et al. 2019), bear out the result of other research which has found positive effects in relation to a sense of stability which supports autonomy in cognitive processes and everyday activities (Haagh 2011b). However, secondly, it is hard to control for the effect on these results of overall welfare conditions in Finland, and so it is difficult to imagine replicability in other conditions. The finding that recipients' employment did not increase, but their aspirations (for instance, to move from part- to full-time employment) did, can be read in two ways. The fact that employment did not increase can be viewed as evidence that autonomy works. While some indicative results suggest that recipients were willing to take on lower paid jobs because they had security, the fact that they did not have to, and that on average employment did not change, suggests that recipients were able to refuse. On the other hand, if aspirations for more stable work were raised, steps towards Basic Income within a flexicurity paradigm might lead to frustration and disappointment.

For East Asian as for Nordic states, high social equality has involved a mix of regulation and compressing income distribution. Hence, how and if in future income security universalism can be combined with developmentalism is a question of losing or retaining public power in the face of the market. A polemical debate about whether South Korea is now simply a neo-liberal state (Pirie 2006) illustrates the dramatic transition entailed by financialisation in East Asia. Here, an important question is whether the debate about Basic Income will take place away from or within the development of other economic security systems, such as the employment insurance system set up in the mid-1990s (Haagh 2004a). This system has turned out to pay the most generous flat level of unemployment cover relative to the previous wage in the OECD (2018). The way Korea's social assistance system operates activation 'in reverse', meaning that it relies on rewards for taking work, as distinct from sanctions to punish lack of it, is evidence of a developmental incentive logic still having influence. On the other hand, between 2010 and 2016, the rate of self-employed people making use of a new tax credit system went from nil to one-third (OECD 2018: 85). This sort of development will be seen by many as suggesting that a more universal income assistance system might be a double-edged sword. Whilst being an obvious alleviation and a new form of justice for those left outside of

employment-linked systems, it might also be an intervention to sustain—and legitimise—public subsidy of low-wage employment and a new level of casualisation of work.

## Basic Income Complementarities Under Financialised Global Development

To surmise, the cases examined bear out how contexts of economic liberalisation forefront the Inequality Paradox, whereby Basic Income presumes and sets forth equality of standing, yet it relies on, whilst being unable to create, substantive equality (Haagh 2019d). In a context of unstable public development finance, the scope for a genuinely life-long Basic Income, and hence the permanent sense of security rightly envisaged as key to the emancipatory effects of a Basic Income, are hard to conceive. Neo-liberalisation threatens to disrupt the reality or intended effect of some of the core features of Basic Income in practice.

The first feature is *permanence*. The idea of a Basic Income *for life* is implicit in classic texts, as far back as Spence. Envisaging Basic Income as permanent is not only a feature of its universality, but is an essential component part of Basic Income as advocates view it. It is a form of property. *Yet, in debates about Basic Income since 2016, particularly but not only in developing countries, the permanent character of Basic Income has all but vanished from view.* Although much of the scholarly literature on Basic Income assumes that Basic Income has internal integrity as a life-long structure of individual security sufficient to live on, a range of usage-meanings have the implication that a Basic Income scheme might be time-delimited. The public attractiveness of a time delimited grant is that it introduces some elements of Basic Income (like universality or unconditionality) but without going the whole way to permanency. In private pilots where universality is tested within a small community there is often not the money to test over a longer period. In developing countries, the connection with public reform and finance is often tenuous. The private experiment in Kenya—Give Directly—which is set to test over a period of 12 years, is a case in point.

Without permanence, however, schemes mimicking other features of Basic Income will be prone to undermine the psychological and economic effects of cash grant schemes. For example, studies show that cash grants schemes, which alleviate for periods of time, act to sustain individuals and families in cycles of clientelistic dependence on scheme evaluators, in particular where genuine occupational opportunities are weak (Larrañaga et al.



2012: 366, 369). Motivational effects are lower within marginal communities (Haagh 2011b). Nutritional gains were linked with separate nutrition supplement programmes, and the effects disappeared when these were withdrawn (Cecchini and Martínez 2012: 105).

Neo-liberalisation also undermines *universality in effect*, which can be described as an intention not only that everyone is reached, but that Basic Income helps to secure equal standing, and key dimensions of equality of opportunity, such as occupational choice (Haagh 2007b): all of which depend on high social equality being attained.

One of the key advantages of a universal Basic Income is the removal of stigma. However, the higher the inequality in a country, the more likely it is that a Basic Income becomes a targeted policy *in effect* (Haagh 2019d). A singular universal policy under these conditions can simply justify inequality. As long as the primary intention of welfare is to alleviate the situation of the worst off, public policy will remain narrowly focussed and poorly funded, concealing the wider causes that recreate poverty.

A concern in this context is that a new emerging recipe for combining protection of the 'marginal' with ever greater liberalisation of work contract conditions will cast Basic Income as a buttress of precarious informality. As Larrañaga et al. (2012: 366, 369) have shown, the 'marginalisation hypothesis' which accompanied narrow targeting in Chile entails identifying only the group lacking income at a given point, when transient insecurity in work is far greater and the real cause of uncertainty (Nun and Trucco 2008; see also Haagh 1999, 2002b, c, d).

Attacking poverty in a high inequality country entails by definition a low Basic Income, and isolates the policy from other programmes, in the same way as a targeted scheme narrows the target of policy. In this context, the universality of Basic Income is washed away *in effect*, because the effect is eroded by lack of real social equality. Universality becomes but a technical trick, worked out through the tax nexus. The issue is not whether progressive taxation undermines the strict equality principle, because strict equality is not a good measure of equality of standing. The problem rather is that equality of substantive opportunities, and thus of outcome, is so weak that the status equality entailed in Basic Income becomes less effective.

*Unconditionality* and *individuality* signal an intent that Basic Income will erode status and gender distinctions. Neo-liberalisation casts these effects into doubt too. As has been seen in Europe, where movements for formal equality of the 1970s and 1980s turned into a basis for new gender inequalities in the market of the 2010s, equal individual responsibility in the market is not freedom for women. In countries like India, where the key issue



for women in rural areas is access to land (Ministry of Rural Development of India 2009: xiv), the wider effects of Basic Income must be translated by other conditions.

Finally, the economic security effect of Basic Income relies on its *non-mortgageability*. This is one of the internal complementarities that need to be fulfilled for Basic Income to be effective. Devil's deals discursively or actually overdraw a Basic Income's effect in this context by obscuring or inadvertently idealising the very informality that weakens social opportunities. Whether in the case of indentured labour, the homeless, or the eternally indebted, a Basic Income without a legal framework could become simply usurped into other unequal structures. The problem of financialisation of Basic Income draws attention to the Equality Paradox, the claim that Basic Income is more likely and effective in conditions of greater social equality. A corollary of this paradox is a Lageality Paradox. Social problems can only be effectively addressed legally where they are not too prevalent. Financialisation of Basic Income could normalise the prevalence and coercive force of debt-dependent relations. A similar point is made by the economist Lena Lavinas when pointing out the normalisation of 'over-indebtedness' as a function of its prevalence (2018: 504). Where conditions are poor, legality is debased.

As argued in the second section of this chapter, Basic Income may be a distributive tool without being a source of a property right in stability either legally or de facto. The relevance of this distinction is apparent in the case of the documented effects of unconditional cash grants in India. Usurpation of cash grants within the Basic Income pilot in India into payment of private school fees or tuition fees by over two-thirds of recipients (Davalá et al. 2015: 119) demonstrates the permeability of Basic Income to privatisation. To be sure, this is not a case against Basic Income in itself, as it is a better alternative to clientelistic schemes, but it is representative of the potential usurpation within a wider project to turn the poor into mortgaged and dependent consumers.

The problem of the financialisation of welfare and of a potential future Basic Income also exists in developed countries. Basic Income might alleviate but not solve homelessness or the legal poverty it entails. Will fines for rough sleeping simply increase when authorities know that the homeless have more cash? (Illustrating the monetisation of deterring homelessness, an article in *The Guardian* detailed the rise in cases of criminalisation of begging and rough sleeping through the use of criminal behaviour orders, with fixed penalty notices rising from £100 to over £1000, and the potential for imprisonment for up to five years (Greenfield and Marsh 2018)).

In the end, non-mortgageability cannot be simply decreed. Financialisation of development by definition cannot be *regulated*, because its structure involves the expansion of opportunities for extracting profit from repackaging credit products, which generates interest in repackaging in new forms, leading to the privatisation of welfare. Hence, in reality, containing financialisation and expanding the sphere of Basic Income—its non-mortgageability in practice—involves scaffolding the effect of Basic Income on economic security by expanding the sphere of public goods. Inequality and the poor conditions that result from it weaken the force and everyday reality of law (Haagh 2019a). The effectiveness of particular egalitarian legal provisions is tied to the *general prevalence* of social equality, and in this the Basic Income—as a legal right to security—is no exception.

## Conclusion

Surveying core narrative claims and contexts within Basic Income debate, in this chapter I have made the following four arguments. First, it was more plausible to talk about a Basic Income as an instrument of freedom and social progress when economic development and finance were more rooted in national development frameworks, in the 1970s and 1980s. As subsequently destabilised finance flows have attained a greater effect on daily life and on the organisation of production, the freedom claim in particular has grown more tenuous.

Second, during the same period, there has been a shift towards a discourse focussed on Basic Income as an instrument of development that in turn is often tied to a vision of bottom-up development, complementing a case for direct democracy. However, these arguments are also problematic, for the same reason that the freedom argument is.

My third argument is related to what the first two arguments reveal, namely the fact that the case for Basic Income is weak on its own, yet the origins and development of Basic Income debate entail a tendency to present Basic Income in singular terms, which is reinforced by the greater moral force of the case in conditions of macro-crises. This drives an orientation towards a certain kind of advocacy and schools of thought taking up the cause of Basic Income in the form of versions of libertarianism and of narratives linked with pure critique or utopia.

This leads to my fourth argument, which centres on how, given the changes that have occurred in global capitalism, a utopian perspective is more likely to run advocates into the arms of an Opportunity Paradox. In

so far as crises enlarge the systemic case for reform in the direction of Basic Income, crises make the singular case appear plausible, as well as attractive. However, overarching claims concerning ways in which Basic Income supports freedom and development are less plausible to the extent that protective welfare state institutions have crumbled in the face of globalised finance.

The implications for Basic Income debate, and core narrative claims linked with freedom and security in particular, are quite profound, in three ways: Firstly, the effects of Basic Income in relation to economic security may be far less clear in the very countries where this effect tends to be highlighted in crisis conditions, for instance, in countries like the US and UK, or India, with higher or growing inequality. Secondly, the effect on freedom may be greater in countries with more regulation, which is contrary to the claim that Basic Income enhances freedom on grounds of lowering paternalism. Thirdly, whilst a Basic Income could offset insecurity for those at the bottom, in so far as inequalities are structural (for instance, tied to occupational participation and its determinants), as long as those inequalities remain, it is predictable that labour and housing, and other price structures, would adjust around the new income security system. The uncertainties linked with consumption or housing structures tied to unsecured debt would not disappear. An underlying tension within Basic Income narrative within and outside Europe today is then the way in which the rise of a moral case for Basic Income is contradicted by weaker public capacity. The wider argument of this paper is that whether due to the central influence of libertarian arguments, or due to changes in capitalism, or indeed the interaction between the two, Basic Income debate globally has been driven towards making decontextualised claims.

This then leads to my fourth and final argument, which is a need to clarify the broader institutional foundations for reform in the direction of Basic Income. The only way to rescue the Basic Income argument is to understand its connection with the public regulatory domain. The central analytical challenge for those interested in Basic Income is to understand the context, while limiting the claims about reform in the direction of Basic Income. When it comes to the plausibility of Basic Income narrative, the old saying remains relevant, that 'less is more'.

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