Georgetown University

From the SelectedWorks of Karl Widerquist

Fall 2017

Basic Income's Third Wave

Karl Widerquist



Basic Income's Third Wave

Karl Widerquist

This article was originally published as: "Basic Income's Third Wave," *OpenDemocracy*, October 18, 2017

Support for unconditional basic income (UBI) has grown so rapidly over the past few years that some might think the idea appeared out of nowhere. In fact, activists have been floating the plan — and other forms of a basic income guarantee (BIG) — for over a century. It experienced a small wave of support between 1910 and 1940, followed by a down period in the 40s and 50s. A second and larger wave of support happened in the 60s and 70s, followed by another down period in most countries until the early 2000s. Today's discussion began to take off around 2010 and has increased every year since. It is UBI's third, and by far its largest, wave of support yet.

Pessimists might think that this wave will inevitably subside, just as prior movements did. History, however, doesn't always stick to patterns. In a 2016 interview with *Wired*, Barack Obama predicted that "we'll be having [the UBI debate] over the next 10 or 20 years". He may be right.

The history of the UBI movement shows that today's political context points to an increase in support. More and more activists – from more and more diverse political formations – are calling for UBI. They can now cite evidence from a number of empirical studies, conducted over years in a variety of locations, to demonstrate the programme's benefits.

Rising inequality and an economic system that seems designed against ordinary people has radicalised voters in recent years. Nationalist-populist movements are trying to redirect this frustration against immigrants and people of colour, but the left can take advantage of this moment to build support for UBI and create a truly universal welfare state.

The first wave

UBI dates back more than two hundred years, but enough people were discussing it in the early twentieth century to constitute a wave – or at least a ripple – of support. The idea was still new enough that most advocates had little knowledge of each other and all tended to give their versions of the programme a different name.

Some supporters of <u>Henry George's land tax</u> suggested that proceeds be distributed in cash. Bertrand Russell and Virginia Woolf both praised the idea in their writings without naming it. In 1918, Dennis and E. Mabel Milner started the short-lived 'State Bonus League', and, in 1920, Dennis Milner published what was likely the first full-length book

on UBI, *Higher Production by a Bonus on National Output*. James Meade and G. D. H. Cole – who coined the phrase "basic income" – wrote favourably about it in the 1930s.

Major C. H. Douglas called it a national dividend and included it in his 'social credit' programme. In 1934, the Louisiana senator Huey Long debuted his 'share the wealth' programme: he seems to have come up with the idea on his own, as there's no evidence he was influenced by the ideas spreading around the United Kingdom in those years. The plan might have served as the basis for his presidential run had Long not been assassinated in 1935.

These early UBI advocates managed little direct influence on legislation. In 1935, the Social Credit Party of Canada took power in Alberta, but did not move to implement Douglas' proposed dividend. After World War II, most welfare states adopted a conditional model, which provides assistance only to those who fit into some category of need, such as old age, disability, unemployment, single-parenthood, absence of market income, and so on. Truly universal programmes are few, far-between, and small. Discussion of a full UBI programme largely fell out of mainstream political discussion for more than two decades.

The second wave

The second wave took off in the early-to-mid 1960s. At that time, at least three groups in the United States and Canada began promoting the idea. Welfare rights activists mobilised people frustrated by inadequate and often demeaning conditional programmes. Futurists saw UBI as a way to protect workers from disruptions to the labour market caused by the computer revolution. Finally, many prominent economists – some leftists and some from the burgeoning libertarian movement – agreed that a basic income guarantee represented a more effective approach to poverty than the conditional and means-tested programmes of the New Deal era. BIG would simplify and streamline the welfare system while also making it more comprehensive.

The mainstream media first noticed UBI around the time Lyndon B. Johnson declared a "war on poverty". Politicians and policy wonks began taking up the idea, and the Canadian government released several favourable reports on the "guaranteed annual income" in the 1970s.

For a short time, many saw some kind of guaranteed income as an inevitable next step in social policy: a compromise everyone could live with. Leftists viewed it as the culmination of the welfare system that would fill in the remaining cracks. Centrists and conservatives saw it as a way to make the social safety net more cost-effective.

In 1971, the US House of Representatives overwhelmingly passed a bill introducing a watered-down version of the 'negative income tax' (NIT), yet another variant of the idea. It missed becoming law by only ten votes in the Senate. The next year, presidential nominees from both major parties endorsed some form of BIG: Richard Nixon supported NIT, and George McGovern UBI. Interestingly, the fact that both nominees' held essentially the same position made BIG less of an issue in the campaign than it might otherwise have been.

<u>Nixon's NIT</u> never got another vote. It died partly because it had no groundswell of support outside of the welfare rights movement. None of its proponents made a serious push to sell the proposal to the public at large. Even BIG supporters viewed Nixon's version with scepticism, seeing it as a top-down, centralised initiative. Letting it die cost the politicians who backed it very little, so they allowed the idea to fade from public discourse.

While neither the United States nor Canada introduced full UBI programmes, the second wave of UBI support had some major successes. Both countries conducted five implementation trials, and the United States created or expanded several more limited programmes, like the Earned Income Tax Credit and the Alaska Dividend. These policies not only helped a lot of people, but their relative success provided convincing evidence to push social programmes toward universality.

Politicians like Ronald Reagan and Margaret Thatcher dramatically changed the conversation around the welfare state in the early 1980s. They successfully vilified recipients as frauds. As a result, many people stopped talking about how to expand or improve the welfare system and started talking about how to cut it. The left largely went on the defensive in response, and stopped criticising the conditional model.

In 1980 the United States and Canada cancelled the last of their implementation trials, Canada stopped analysing the data it had spent years and millions of dollars collecting, and for the next 30 years mainstream American politics engaged in virtually no discussion of any form of BIG. Fortunately, as I discuss below, the results of those trials eventually re-emerged as important proof of the idea's potential.

Between the waves

While discussion waned in North America, it slowly grew in other parts of the world. In 1977, a small Dutch party started a trend when it endorsed UBI in parliament. The next year, Niels I. Meyer's book *Rebellion from the Center* launched a substantial wave of support in Denmark. The proposal gained traction in other countries as well, including post-apartheid South Africa. For the most part, however, discussion of UBI programmes took place outside the political mainstream, where its slight upward trend attracted little notice.

Academic attention began to grow in this period, especially among European scholars. The Belgian philosopher Philippe Van Parijs reinvented UBI in 1982 with no prior knowledge of the previous waves. He eventually connected with other supporters – including Guy Standing, Claus Offe, Annie Miller, Hermione Parker, and Robert van der Veen – and together they established the <u>Basic Income European Network</u> (BIEN) and convened the first BIEN Congress on 4-6 September 1986. From this point on, UBI, rather than NIT, dominated the political discussion of BIG.

The academic debate grew substantially between the mid-1980s and the mid-2000s, especially in the fields of politics, philosophy, and sociology. In 1984, supporters launched the first national UBI network in the United Kingdom; by the time BIEN

changed its name to the <u>Basic Income Earth Network</u> 20 years later, activists had organized at least two dozen national groups.

Yet UBI stayed mostly outside the political mainstream, making the movement feel more like a discussion group than a political action network. Even the activist contingent concentrated more on discussion than action, believing that they had to increase public awareness before they could implement their proposals. This feeling actually distracted supporters from how much their movement had grown.

The third wave takes off

The third wave of basic income activism hit the mainstream in 2015 or 2016, but volunteers at <u>Basic Income News</u> had been noticing substantial increases in media attention since at least 2011. And in some places, the crossover began even earlier than that.

In 2006, at the BIEN Congress in South Africa, Zephania Kameeta, then the Lutheran Archbishop of Namibia, slammed his fist on the podium and announced, "Words, words, words!" UBI conferences had seen many passionate calls for action, but they were almost always accompanied by appeals for *someone else* to take action. This time, the speaker already had an action plan under way: the Namibian BIG Coalition was raising funds to finance a two-year implementation trial.

This project coincided with a smaller one in Brazil, and a much larger one followed in India in 2010. These tests attracted substantial media attention and helped inspire the privately and publicly funded experiments now under discussion or underway in Finland, Scotland, Canada, the United States, and Kenya.

At about the same time that Kameeta spoke in Cape Town, a national UBI wave was beginning to swell in Germany. Prominent people from across the political spectrum – Katja Kipping, Götz W. Werner, Susanne Wiest, and Dieter Althaus – all began to push different basic income proposals in a very public way.

Unlike most previous waves of support, this one inspired broad activism, which has only grown. In 2008, UBI networks in Germany, Switzerland, and Austria jointly organised the first International Basic Income Week, which has subsequently grown to become a worldwide event with actions taking place as far away as Australia and South America.

The financial meltdown and subsequent Great Recession sparked a new climate of activism. Public attention turned to poverty, unemployment, and inequality, and UBI supporters suddenly had a much better environment for activism.

Two citizens' initiatives got under way in Switzerland and in the European Union in the early 2010s. In the former, Daniel Häni and Enno Scmidt successfully collected enough signatures to <u>trigger a national vote</u>. The EU movement eventually recruited organisers in all member states. Although neither ultimately won, they built an infrastructure to support

activism across Europe and brought a tremendous amount of attention to the issue, which in turn sparked additional activism and attracted more support.

One of the contemporary movement's most important features is that support now comes from many different places and from people who do not necessarily work together, follow similar strategies, or adhere to the same ideology. Indeed, today's activists are motivated by a number of different issues and sources.

Mirroring the 1960s futurism discourse, many advocates point to automation and precariousness as reasons to enact the programme. High unemployment, the gig economy, and the pace of automation threaten large segments of the labour force. Whether or not the need for human labour is decreasing, the labour market has become extremely unstable. Labour leaders, activists, academics, and tech entrepreneurs have all proposed UBI in response, making this issue one of the prime drivers of recent interest in UBI.

For the first time, environmentalism has played a major role in this activism. Two of the most popular proposals for combating climate change are the tax-and-dividend and cap-and-dividend strategies, both of which involve setting a price on carbon emissions and distributing the revenue to all citizens. Other environmental groups, such as "Degrowth" and Canada's "Leap Manifesto," see UBI as a way to counteract excessive consumption and the depletion of resources.

Two additional proposals, called 'quantitative easing for the people' and 'helicopter money', are pushing central banks to stop giving money away to private banks and start giving it directly to every citizen. They believe their proposal would constitute a more equitable and effective economic stimulus programme. Although they do not use the term, distributing money directly to the people is essentially a temporary UBI.

Some private groups are trying to bypass central banks entirely by creating non-government digital currencies, and some of these groups have announced their intentions to provide their users with a UBI in the new currency.

At the same time, new evidence has convinced people of UBI's radical potential. Evelyn Forget, of the University of Manitoba, received grant funding to analyse the data from Canada's NIT experiment. She released her findings in 2011, just as new implementation trials and citizens' initiatives were getting off the ground. They received a great deal of press attention and helped spark new interest in the programme in Canada and beyond. This increased media attention has built the movement even further. Seemingly every major news outlet has published something about UBI. And, in a sure sign of the movement's newfound strength, opponents have started attacking it.

A couple of years ago, it remained unclear whether the third wave would match the size and reach of the second. Now the answer is obvious: grassroots support and international media attention are larger than ever, and the third wave represents the first truly global basic income movement. According to Philippe Van Parijs, "the big difference between the first two waves and the third one is that the third one quickly became international". The first two did not extend beyond the United States, Canada, and the United Kingdom, but the third wave already involves major campaigns on all six inhabited continents.

How far can the third wave go?

The left should recognise that past UBI movements entered mainstream conversation when people worried about inequality and unemployment, and then subsided when public attention turned to other issues or when other ways of addressing poverty became dominant. The second American wave ended in the United States not in the prosperous economy of the mid-1980s but in the troubling times of the late 1970s, when right-wing politicians convinced large numbers of people that redistributive programmes had become overly generous.

The biggest danger to the third wave appears to be growing nationalism. If politicians can convince voters to blame immigrants for growing inequality, they can effectively distract people from mobilising around better social policies.

Despite these dangers, basic-income activists should feel encouraged: each wave has been larger than the last. With every resurgence, UBI has had a more developed proposal than the time before, and activists have been better prepared to address people's concerns about poverty, inequality, and unemployment. The fact that academics had continued to study and activists had continued to promote UBI during its unfashionable years gave it recognition as a viable alternative when inequality once again became a dominant policy discussion.

Meanwhile, dissatisfaction with the conditional welfare model has been growing for over a century. This system is based on the idea that everyone who can work should and only those who really cannot work should receive help. All others are undeserving.

Conditionality has not made the welfare state more generous or less vulnerable to attack. Many who work still live in poverty, as do many who receive benefits. Opponents have successfully chipped away at welfare for more than 40 years, largely by vilifying any group that meets the conditions for need.

The conditional system also hurts workers. By making welfare requirements so stringent, we have made all employees more dependent on their employers. Dependent workers have less power, making it harder to demand good wages and decent working conditions. It is no coincidence that middle-class income has stagnated over the same period that the welfare system has declined. Despite enormous productivity gains, most workers now work more hours for less pay.

Conditional welfare systems are built on paternalistic assumptions that force people to prove their right to survival. UBI might not always gain steam as fast as it has in the last few years, but those shortcomings won't disappear, and they provide a good reason for people to look seriously at UBI.