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Basic Income's Third Wave

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Basic Income's Third Wave

Support for Unconditional Basic Income (UBI) is growing so rapidly that the idea might seem to have appeared out of nowhere. But actually, support for it and other forms of Basic Income Guarantee (BIG), such as the Negative Income Tax (NIT),* has been growing slowly on average for over a century. The current increase in attention is the third and by far the largest wave of support UBI has received yet.

People might think that if previous waves have come and gone, the third wave will inevitably subside as well. History is very bad at sticking patterns. President Obama might be right that UBI is “a debate that we’ll be having over the next 10 or 20 years.”

This article looks at the history of UBI support to show that that conditions are particularly favorable to the growth of the movement right now. There is no inevitability that these conditions will disappear, but they do represent an important opportunity. UBI supporters need to take advantage of to keep the movement growing, and they need to be aware of the reasons waves of support have subsided in the past.

The First Wave (or a coincidence of ripples)

Diverse thinkers have discussed UBI for more than two hundred years, but it was only in the early twentieth century that enough people started discussing it at about the same time to say that UBI was experiencing a wave—or at least a ripple—of support. At that time, discussion was still sparse enough that most of the people talking about UBI had little knowledge of each other and all tended to give it different names.

During this period, some supporters of Henry George’s land tax suggested that proceeds be distributed in cash. Bertrand Russell wrote about the idea without giving it a name in 1916, as did Virginia Woolf in her essay and lecture series, “A Room of Her Own.” Dennis and E. Mabel Milner started the short-lived “State Bonus League” in 1918, and Dennis Milner published (probably) the first full-length book on UBI in 1920. James Meade and G. D. H. Cole wrote favorably about UBI in the 1930s with Cole coining the phrase “Basic Income” decades before it became standard. Major Douglas included a “National Dividend” in his program of proposed financial reforms called “Social Credit.” In 1936, Louisiana Senator Huey Long—apparently with little influence from any of the proposals mentioned above—included a substantial UBI called “Share the Wealth” in his platform. He might have made it the basis of a presidential run in 1936, if he had not been assassinated in 1935.

The first wave had little direct influence on legislation. A Social Credit Party took power in two Canadian provinces in the 1930s, but neither of them moved to implement the dividend. Discussion died down as most welfare states settled on a conditional model, under which the government attempts to make sure acceptable jobs are available and provides assistance to people it judges to be unable to work or to find work.

The Rise and Fall of the Second Wave

The second wave took off in the early-to-mid 1960s when at least three different groups took up the idea in the United States and Canada. (1) Welfare rights activists brought people out on the street to support it. (2) Futurists began discussing the need for some form of BIG to protect workers from the disruptions of the labor market brought on by the computer revolution. (3) Many prominent economists, some from the left and some from the burgeoning U.S. “libertarian” movement, came to agree that BIG was a more scientific approach to poverty, simplifying and streamlining the welfare system while also making it more comprehensive.

Of course, discussions don’t actually come from nowhere. Economists began discussing BIG as early as 1944, when Friedrich Hayek wrote favorably about it. Most economists at that time gravitated toward the NIT (rather than UBI), and by the mid-1960s, they had built up an impressive body of research. The idea only appeared to come out of nowhere when the mainstream media suddenly took interest. This happened at about the same time that President Johnson declared “war on poverty,” and politicians and policy wonks within government in the United States and Canada took up the idea. The Canadian government released several favorable reports on the “guaranteed annual income” in the 1970s.

For a short time, some form of BIG appeared to many as the nearly inevitable “next step” in social policy and a compromise everyone could live with. People on the left of the political center could view it as the culmination of the welfare system—filling in its remaining cracks. People on the right of center could view it as a way to make the welfare system more cost-effective.

In 1971 the U.S. House of Representatives overwhelmingly passed a bill to introduce a watered-down version of the NIT. It missed becoming law by only 10 votes in the Senate. By 1972 the presidential nominees of both major U.S. parties endorsed BIG: Richard Nixon endorsed NIT, and George McGovern endorsed UBI. The similarity in the two nominees’ positions probably made BIG less of an issue in the campaign than it might have been.

But Nixon’s version of the NIT did not come to a vote again after his reelection. It died partly because, outside of the welfare rights movement, there was no groundswell of support for it. There was no major push to sell the proposal to large numbers of U.S. citizens. Even many people who supported BIG in principle were skeptical of the version that made it into Nixon’s bill, which was largely a top-down, Washington-based initiative. There was little or no political cost to letting it die, and BIG began to fade from public consciousness in the United States.

UBI supporters today tend to view the second wave as a failure, because BIG was not introduced in either of the two countries where it was seriously considered. Fewer people are aware that the second wave had some very major successes. Probably the most visible outcome was that the United States and Canada conducted five implementation trials. But more importantly, several programs, including the Earned Income Tax Credit and the Alaska Dividend, were created or expanded partly in response to the second wave. These policies helped a lot of people, and their relative effectiveness eventually provided favorable evidence for further steps away from conditionality and toward universality.

If you wanted to put a date on the end of the second wave, it would be sometime in 1980. By then, BIG was out-of-the-mainstream in the United States and to a lesser extent in Canada. The rise and fall of the second wave is well illustrated by Milton Friedman's writings. In 1962, he wrote about the NIT as a little-known policy with great political prospects. In 1980, he wrote about it as a great idea with few political prospects.

In that same year the United States and Canada cancelled the last of their implementation trials. Canada even cancelled the analysis of the data it had spent years and millions of dollars collecting. However, as I discuss below, that unanalyzed Canadian data eventually reemerged to positively impact the third wave.

Also in 1980, Ronald Reagan was elected President. Politicians, such as Reagan in the United States and Margaret Thatcher in the United Kingdom, dramatically changed the dialogue. They successfully vilified every welfare recipient as a suspected cheater; in many countries, people stopped talking about how to expand or improve the welfare system and started talking about whether and how much to cut it. People to the right-of-center lost interest in making the welfare system more cost-effective when they saw the political opportunity to make conditions harsher or to cut the welfare system bit-by-bit.

People to the left-of-center largely went on the defensive. They seldom admitted any problems with the conditional welfare model, and they even agreed to more stringent conditions, because they saw conditionality as the only politically viable alternative to massive cuts. In the 1980s, 1990s, or 2000s, the United States had virtually no discussion of any form of BIG in mainstream politics, and Canada had only sporadic mainstream discussion.

The Gradual Rise of the Third Wave

Even as the discussion was declining in the United States and Canada, it began rising slowly in Europe and elsewhere. In 1977, a small Dutch party became the first party with representation in parliament to endorse UBI. Small-party endorsements have gradually increased around the world ever since. The 1978 book, "Rebellion from the center" initiated a substantial wave of support in Denmark. Other national waves of support happened occasionally in various countries, including a large one on post-Apartheid South Africa. But for the most part, discussion of UBI took place outside mainstream politics in the 1980s, 1990s, and most of the 2000s, and the slight upward trend outside of the mainstream attracted little notice.

Academic attention to UBI also began to increase slowly, especially in Europe. The Belgian philosopher, Philippe Van Parijs, reinvented UBI in 1982 with no knowledge (at the time) of any of the previous debate over it. He eventually connected with other supporters, such as Guy Standing, Claus Offe, Annie Miller, Hermione Parker, and Robert van der Veen (to name a few) who attended the first UBI conference and organized the Basic Income European Network (BIEN) in 1986. From this point on, the political discussion of BIG has been dominated by UBI rather than NIT.

The academic debate grew substantially from the mid-1980s to the mid-2000s—especially in the fields of politics, philosophy, and sociology—and the idea was extremely visible to people working in those fields. The first national UBI network formed in the United Kingdom in 1984. There were at least two dozen of them around the world by the time BIEN changed its name to the Basic Income *Earth* Network in 2004.

Yet, as late as the 2000s, UBI was so far out of the political mainstream that the movement felt like a discussion group than a movement. Even the activist contingent, which had existed within BIEN and other UBI groups since the 1990s or earlier, concentrated more on discussion than action. They had to increase public awareness before they could get a critical mass of people interested in taking action.

This feeling distracted from how much the movement had grown, and how ready it was to rise. Although few people following UBI developments realized it at the time, the idea began crossing over into the mainstream in the mid-2000s.

The Takeoff of the Third Wave

To people who weren't paying any special attention, the third wave probably became visible in 2015 or 2016. Volunteers at *Basic Income News* had been noticing substantial increases in mainstream media attention every year since at least 2011. And in some places, the crossover began as much as five years before that.

In 2006, at the BIEN Congress in Cape Town, South Africa, Zephania Kameeta, then the Lutheran Archbishop of Namibia, slammed his fist on the podium and said, "Words, words, words!" Passionate calls for action were nothing new at UBI events, but they were almost invariably followed by appeals for *someone else* to take action with resources and numbers that they did not have. Kameeta's speech was different because he had an action plan under way. He announced that the Namibian BIG Coalition was raising funds to finance a UBI implementation trial in a small village. That project ran for two years, collected valuable data, and greatly helped 1,000 people in the village.

The Namibian project coincided with a smaller project in Brazil, and it was followed in 2010 by a much larger one in India, which also produced impressive results. These projects began to attract substantial media attention to UBI around the world. They helped spark the growth of mainstream media attention in the 2010s. And they are clearly part of the inspiration for the private- and public-funded implementation trials now underway or being discussed in Finland, the Netherlands, Canada, the United States, and Kenya.

At about the same time that Kameeta gave his speech in Cape Town, a national UBI wave was beginning to swell in Germany when, across the political spectrum, prominent people, such as Katja Kipping, Götz W. Werner, Susanne Wiest, and Dieter Althaus, all began to push different UBI proposals in a very public way. Unlike most previous national waves of support, this one inspired activism for UBI, which has been growing and spreading ever since. In 2008, the UBI networks in Germany, Switzerland, and Austria jointly organized the first International Basic Income Week. It has grown every year since, becoming a worldwide event with actions taking place as far away as Australia and South America.

Following the 2008 financial meltdown and during the subsequent Great Recession, a new climate of activism developed around the world including movements such as the Arab Spring, Occupy, the 99 percent, and Black Lives Matter. Public attention turned to poverty, unemployment, and inequality, and UBI supporters had a much better environment for activism.

Two "citizens initiatives" (called "petition drives" in America) got under way in Switzerland and in the European Union (EU) in the early 2010s. The Swiss initiative led

by Daniel Häni and Enno Schmidt successfully collected enough signatures in 2013 to trigger a national vote, which was held nearly three years later in 2016. The EU initiative eventually involved organizers in all EU member states. Although neither was fully successful, they created an infrastructure for UBI activism across Europe and brought a tremendous amount of public attention to the issue, which in turn sparked additional activism and attracted more support.

Activist groups dedicated to UBI have been forming at the local, regional, national, and supra-national level around the world. The idea spread rapidly through social media and by direct action. This increased attention inspires more activism: as people see others taking action to support UBI, the idea seems more politically feasible, and action becomes more worthwhile and more attractive.

Other Sources of the Third Wave

Although activism and implementation were the two most visible sources of the third wave of UBI support, what sparked the interest that drove these efforts? The difficulty of giving a single answer to that question is one of the remarkable features of the contemporary UBI movement. Diversity might be the third wave's greatest strength. Support for UBI is coming from many different places and from people and groups that do not all work together, follow similar strategies, or adhere to the same ideology. Probably many of the people working together on UBI activism in various places support it for very different reasons.

The UBI movement is being driven by too many sources to list. But here are some of the principle sources of attention.

- **Automation and precariousness.** The concurrence of high unemployment, the precariousness of the “gig economy,” and the enormous pace of automation in the 2010s have bolstered the concern that automation is displacing large segments of the labor force. Whether or not there is a trend toward decreasing need for human labor, it is almost undeniable that automation and other factors have made the labor market extremely unstable for many workers. Many people including labor leaders, activists, academics, and tech entrepreneurs have proposed UBI as a response, making this issue one of the prime drivers of the recent increase in media attention to UBI.
- **Environmentalism.** Although environmentalism wasn't significantly connected to BIG during the second wave, it has played a major part in the third. Two of the most popular proposals to combat global warming are the tax-and-dividend and cap-and-dividend strategies, both of which involve charging a price per unit of carbon emissions and distributing the revenue generated to all citizens, usually as a small cash UBI. Other environmental groups, such as “Degrowth” and Canada's “Leap Manifesto,” see UBI as away to counteract the cycle of excessive consumption and depletion of resources.
- **Recovered data from earlier implementation trials.** Evelyn Forget, of the University of Manitoba, received a grant to analyze data from Canada's NIT experiment after it had been sitting in file cabinets for three decades. Her findings came out in 2011, just as the new implementation trials and citizens' initiatives

- were happening. They received a great deal of press attention and helped spark renewed interest in Canada and beyond.
- **Conditional Cash Transfers.** In recent decades, many developing nations have taken a small step toward BIG by introducing Conditional Cash Transfers (CCTs), which tend to be more comprehensive than earlier redistributive programs, and which have fewer, more easily met conditions, such as getting children immunized or keeping them in school). Except in Brazil, most CCTs have not been explicitly recognized as steps toward UBI, but evidence from CCTs has given another boost to the argument for moving away from conditionality and toward universality.
 - **Right-libertarianism.** Although “libertarian” support for BIG goes back to the 1940s, it is more visible now than it has been in decades. The website *Bleeding Heart Libertarians* regularly posts pro-UBI editorials. However, libertarians for UBI have grown much more slowly than libertarianism as a whole, because libertarians today tend to be categorically opposed to any redistribution of property.
 - **Quantitative Easing for the People and Helicopter Money.** These two similar proposals call on governments to redirect “quantitative easing” from its conventional strategy of giving money away to banks to a new strategy of giving money directly to every citizen, which, they argue would be a more equitable and effective economic stimulus. Giving money directly to the people is essentially a temporary UBI.
 - **Journalists.** Over the last five years or so, mainstream media attention to UBI has gone from basically no coverage to the point at which seemingly every major news outlet has felt the need to publish something about it. And in a sure sign of the movement’s strength, opponents have begun to attack it. Some of the increased attention is simply a response to the increase in activity around UBI, but some influential journalists have clearly been writing far more than the minimum necessary to cover it as news.

A couple years ago, there was still a question (in my mind) whether the third wave was bigger than the second. Now it is undeniable. Grassroots support for UBI and international media attention to it are larger than ever before, and the third wave is the first truly global movement for UBI. 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 had very little influence outside of the United States, Canada, and United Kingdom, but the third wave involves major campaigns on all six inhabited continents.

Lessons from the three waves

One lesson UBI supporters need learn is not fear the diversity of the movement. Diversity has gotten the movement this far. Its future growth does not require its supporters to fall in line either with any one ideology or any unified grand strategy.

Different groups should go on working in their different ways—cooperating if and when it seems helpful.

UBI supporters can learn a lot by considering why the movement is taking off now. For one thing, many UBI supporters credit new technologies. Michael Howard, of the U.S. Basic Income Guarantee Network, writes, “We are seeing the effects of the internet and social media, which can spread awareness rapidly in ways that we could not imagine in the 1960s.” Social media has helped globalize the movement, which in turn strengthens it, as Van Parijs explains, “A well insulated fire can die out more easily than one spreading to the whole forest.” Scott Santens, moderator of Reddit’s Basic Income community writes, “The popularity of everything about UBI shared on social media in turn encourages mainstream media outlets to publish their own content about the idea, creating a feedback loop where its popularity further drives its popularity.”

Social media has helped many political movements grow over the last five or ten years, but it can’t be the only reason why UBI support is rising. It has risen before, as did many political movements. Not all political movements took off with the spread of social media. The land tax and the job guarantee have as impressive an intellectual history as UBI, but neither of them are trending the way UBI is. So, the question remains, why now?

Don’t ignore the role of coincidence. Suppose UBI comes up in several different discussions at once. The parties to the different discussions become aware of each other, and that interaction furthers all of the discussions, brings attention from the media, and sparks increasing activism, and all of this also creates a positive feedback loop. However, although the coincidence over different people hitting on a similar idea is probably part of the explanation for UBI’s rise, it can’t be all of it.

One important explanation for UBI’s rise in the 2010s is that messages tend to resonate when people are ready to hear them. Each wave rose when popular political attention was heavily focused on inequality, poverty, and unemployment. Whatever the sources of current UBI discussion, the topic has certainly reached a more receptive audience in the current political climate than it would have received before.

The first two waves subsided when public attention turned to other issues or when other ways of addressing these issues became dominant. For example, the second wave ended in the United States, not in the prosperous economy of the mid-1980s, but in the troubling times of the mid-to-late 1970s, when right-wing politicians succeeded in convincing large numbers of people that redistributive programs were overly generous. The biggest danger to the third wave right now appears to be growing nationalism. If politicians can convince enough people that foreigners and immigrants are to blame for growing inequality, they can distract people from the need for better social policies.

This experience reveals the kinds of things supporters need to do to keep the current wave increasing or to bring on a fourth wave if necessary: remember that activism encourages activism, and try to keep public attention focused on the problems UBI addresses. The time is right for UBI supporters to act.

Another aspect of the pattern of the three waves is extremely encouraging: each wave has been larger than the last. The first reason is that at each opportunity to influence public debate, UBI has been a more developed and better-studied proposal than it was previously, and UBI activists have been better prepared to build on people’s concerns with poverty, inequality, and unemployment. Public discussion changes rapidly and

unexpectedly, and to be a part of it, a proposal has to be well-thought-out in advance. UBI was available when inequality reentered the public discussion because academics studied it and activists promoted it when it was out of fashion.

The second reason is increasing dissatisfaction with the conditional model that has dominated virtually all welfare systems for over 100 years. The conditional model is supposedly based on the idea that everyone who can work should work, and everyone who can prove they cannot work for an acceptable reason should be helped. Everyone else is judged not to be “truly needy.”

Dissatisfaction with this model is growing for too many reasons to list, but one important reason is that conditionality hasn't made the welfare system more generous or any less vulnerable to attack by opponents. Many who work live in poverty, as do many who are judged eligible. Opponents of redistribution have successfully chipped away at the welfare system for more than 40 years, largely by vilifying almost any group that meets the conditions for need.

Not only is the conditional system bad for the people judged eligible; it is bad for workers well up into the middle class. The more desperate we make the poor, the more dependent we make all workers on their employers. Dependent employees are less able to demand good wages and good working conditions. It is no coincidence that middle class wages have stagnated over the same period that the welfare system has been in decline. Despite enormous productivity increases, most workers have received neither higher wages nor shorter working hours.

The new activist movement finally pushing back against 40 years of growing inequality are not looking to rebuild the welfare system just as it was 50 years ago. They are looking for a new model. And the one model that represents a clear break with the traditional conditional welfare system is an *unconditional* basic income. As Katja Kipping, leader of Germany's Die Linke Party, put it, “The old left wanted control over the means of production, the new left wants control over their own lives.”

With this perspective UBI supporters have the opportunity to capture not only the left but the political center as well. They need to show that the conditional welfare system is built on paternalistic and self-serving assumptions in which low income people have to prove their right to the resource they need to survive by working for more advantaged people. They also need to show that these harsh, any-job-is-a-good-job assumptions have left the middle class unable to claim a share in the enormous productivity gains they have helped produce over the last 40 years.

I don't know whether this message will break through within the next few years or whether it will take decades, but the shortcomings of the conditional welfare system aren't going away. And so I expect the 100-year-old trend of increasing interest in UBI will continue for a long time to come.

* BIG is a generic term for any policy assuring no one's income falls below a certain level for any reason. UBI does it by paying a grant to everyone regardless of other income and reducing total income through standard taxation as income rises. The NIT does it by paying the full grant level only to people who have no other income and reducing the grant itself as other income rises.