

BASIC INCOME: ORIGINS AND PROSPECTS

AN INTERVIEW WITH PHILIPPE VAN PARIJS

by Pascal Couillard

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It is often said, mostly by scholars, that the welfare states are in crisis. For some, the introduction of an unconditional basic income (UBI), an unconditional grant paid ex ante by the state (from the cradle until death or as a lump sum) to each citizen, would be the most effective way of reforming them. Philippe Van Parijs is certainly, with Claus Offe and Andre Gorz, one of the most prominent scholars to support this claim. Author of many books on distributive justice such as *Qu'est-ce qu'une société juste?*, and *Marxism Recycled*, professor Van Parijs published many important books and articles defending this proposal and, always enthusiastic to provide after-sale service, replying to its critics. His most important contribution is certainly his book *Real Freedom for All*, (1995), deeply responsible for a renewal of the debate in the academic circles, in which he provides a powerful ethical justification for the introduction of the UBI. Philippe Van Parijs, one of the founders and the secretary of the Basic Income European Network, is professor of Economic and Social Ethic at the Université catholique de Louvain (Belgium) and he directs the Hoover Chair of economic and social ethics since its creation in 1991. Pascal Couillard, of the Catholic University of Louvain interviewed Van Parijs for USBIG.

COUILLARD: A universal basic income is an income paid unconditionally to every citizen, on an individual basis, without means test or work requirement. This idea is far from novel. Thomas Paine, for instance, in his *Agrarian Justice*, published in 1796, proposed the idea of an unconditional grant to every individual on reaching the age of twenty-one years old. How did you discover the idea of the UBI and what reasons motivated you to devote an important part of your academic career so far to defend it?

VAN PARIJS: I came to the idea in the early 1980s in two ways. First, as an active member of a green party, I was in search of a credible way of tackling unemployment in a context of fast productivity growth, without relying on the madness of ever faster output growth. Secondly, as a philosopher concerned to provide a grand vision of a possible and desirable future, I was in search of an attractive alternative to socialism, defined by the public ownership of the means of production, that would avoid socialism's fatal shortcomings while remaining true to the underlying ideals.

COUILLARD: There are at least three ways to introduce the UBI. First, implement it directly at full scale; that is, at a highest sustainable level replacing many other actual redistributive schemes. Second,

introduce it partially and gradually as proposed by Brazilian Senator Eduardo Suplicy and Canadian philosopher Francois Blais for instance. Third, through the back door by introducing individual refundable tax credits, thus transforming the UBI into a variant of the negative income tax as proposed by Milton Friedman. What is the strategy you favor? At what level would you envisage setting the UBI in the North American context?

VAN PARIJS: There is no general recipe, as circumstances vary greatly from one part of the world to another. For example, in the Brazilian context, a very modest negative income tax (not that different from Friedman,s) restricted to families and made conditional on their sending their (school age) children to school. In most European countries, on the other hand, such a scheme would take us far below what we have already achieved on the way to a genuine individual and universal basic income, for example in the form of an unconditional basic income or child benefit, and transforming household-based tax allowances into individual refundable tax credits may be the most promising next step. The only universal truth is that a big-bang introduction of a high basic income replacing all existing transfers will not happen and should not happen.

COUILLARD: At what level would you envisage setting the UBI in a country like the United States and how could it be financed?

VAN PARIJS: To give a precise competent answer to this question, one would need to study the detailed structure of both the tax system and the transfer system in those countries far more than I have done so far or shall ever do. I refer to Francois Blais,s book *Un revenu garanti pour tous*, (Boreal, 2001) [English translation: *Ending Poverty. A Basic Income for All Canadians*. Halifax (Canada): Lorimer Paperback, 2002] for a discussion of this issue in the Canadian case. In the US case, I believe that one intelligent next step consists in integrating the child-related dimension of EITC and of TANF into a universal child benefit system, with a small net cost and a significant impact on child poverty. But one should also use any opportunity for bending EITC in the direction of a genuine NIT for all households, for example by making tax cuts benefit every household in the form of a uniform refundable tax credits, rather than taxpaying households only through reduced tax rates.

COUILLARD: Feminists may agree that the UBI presents many advantages especially for women. Indeed, it would guarantee financial security to them, thus providing women a stronger bargaining power in the labor market and towards their life partners. However, some feminists object that the UBI might reinforce the traditional roles associated with gender by encouraging mothers to leave the labor market to take care of the children and the household for instance. Do you agree with that concern?

VAN PARIJS: I've always found it crucial to distinguish between measures that modify women's choices by restricting their options and by expanding their options. Basic income is unambiguously of the latter kind, and like Greetje Lubbi, the chairperson of the Trade Union that spearheaded the campaign for basic income in the Netherlands in the 1980s, I find that there is something insulting about considering women, in particularly less-skilled women, to be less able than men to make a wise use of these expanded options.

This being said, I don't regard it as desirable at all that many women should drop out altogether of the labour market. But nor do I regard it as having any likelihood, even with a pretty high level of basic income. It is, however, quite possible, that significantly more mothers than fathers will interrupt their careers for longer or reduce their working time owing to the security afforded by a basic income, in order to look after their children. If this happens, and is regarded as a major problem, then the solution should not be to deliberately shrink women's options by refusing to introduce a basic income. I should rather be to supplement it marginally with schemes that will make it more sensible, or simply more possible, financially speaking, for the father than for the mother to stay home.

To illustrate, think of the following „virility premium“, which I have recently proposed in the Belgian context with my colleague Pascale Vielle. In Belgium, there is a very general voluntary career interruption scheme which gives a monthly uniform benefit of about 300 Euro (for up to 5 years) to workers interrupting their employment, or half the amount if they go from full time to half time. Over 90% of the workers with young children who take advantage of this scheme are women. To increase the proportion of men, we propose to double the amount for fathers of young children, with the supplement funded through a small increase of the tax on the income of all men.

COUILLARD: Others feminist also argue against the UBI because it would fail to recognize, in the relevant sense, the status of caring for one's children. Indeed, they claim that the UBI would not provide a status socially recognized to mothers since it would be handed to them but also to surfers.

VAN PARIJS: I was convinced by the Italian sociologist Chiara Saraceno that an income transfer specifically targeted at those who do household work instead of paid work would be far worse than a basic income for three reasons: (1) it would give a further excuse to men for doing only a small part of household chores; (2) it would deepen the household trap for women, as they would lose this transfer when taking up employment; and (3) being paid unavoidably little (for fear of excluding low-skilled women from the labour market altogether), it would contribute to devaluating rather than revaluating household tasks.

COUILLARD: The United States and Canada are two countries that could

afford to finance a substantial UBI. However, this proposition fails so far to attract enough political support in those countries to be considered an attractive alternative in the debates regarding the reform of redistributive schemes such as social assistance. In the United States, for instance, Richard Nixon's Family Assistance Plan, was not approved by the Senate and NIT experiments were fiercely criticized, mostly because of its negative effect on the supply of secondary earners. In Canada, the Macdonald Commission in 1985 proposed, among other things, a scheme similar to the UBI to replace existing social assistance schemes. The suggestion was criticized especially by the Canadian Left, which associated it to neoliberal policies. More recently, the Ottawa Citizen published in December 2000 an article claiming that Prime Minister Jean Chretien was considering the creation of a cradle-to-grave guaranteed annual income program. Chretien publicly denied this allegation shortly after. How do you explain such political resistance towards the UBI?

VAN PARIJS: Any major reform of transfer systems, wherever it is proposed, is bound to arouse fears, both justified and unjustified, and hence resistance. It is the absence of any resistance that would need explaining.

COUILLARD: Many critics of the UBI, such as Brian Barry and Jon Elster, objected to (the highest sustainable) UBI, at least on ethical grounds, because it would institutionalize the possibility for some able-bodied people to live off the fruits of labor of others by receiving a share of the benefits of social cooperation without any contribution on their part, thus violating a requirement of reciprocity. Do you think that this objection explains why many politicians are so reluctant to support it at least explicitly?

VAN PARIJS: Yes, I do think that some ethical concern for reciprocity plays a significant role in the resistance of both public opinion and politicians, whether from the Left or the Right, to the idea of introducing an unconditional basic income, or even taking it seriously. I also think that, through all sorts of channels, it is right that reciprocity should strongly shape the distribution of rewards in a society. But it must operate on the background of a fair distribution of our common endowment, not through those having grabbed a handsome chunk of this endowment through the good jobs they occupy imposing on others, in the name of reciprocity, some nasty jobs they would not dream of doing themselves.

COUILLARD: There also seems to be some misunderstanding in political circles about the functioning and the implications of the scheme. How much of the opposition to UBI do you believe comes from the misunderstandings, and how can it be rectified?

VAN PARIJS: It is not always easy to make people understand, for example, that it may be better for the poor that the rich too should

receive a basic income; or that it may be cheaper ~ in any sense that matters economically ~ to give to all than to give to some. Part of the answer to this problem is that academics working in this area should explain, and explain again, as didactically as they can. Another part of the answer is to work out a „incrementalist% strategy consisting of small steps that make more obvious sense to many, up to a point where a simplification of the patchwork of measures gradually put into place would yield a basic income for all at little or no cost.

COUILLARD: Do you find the same kinds of resistance in European countries?

VAN PARIJS: Yes

COUILLARD: In a federal state, the power to enact social policies is usually shared between the federal government and the federate states. In Canada, for instance, the federal level is responsible for the unemployment benefits while the provinces handle social assistance. Since those kinds of schemes would be replaced by the UBI, which level of government should be in charge of managing it? Do you expect more difficulties for the implementation of the UBI in federal countries than in countries with centralized governments?

VAN PARIJS: Unemployment benefits must not and will not be replaced even by a generous universal basic income. They must keep operating, with amounts adjusted, as job-seeking-conditioned, time-limited and earnings-related top-ups on peoples, basic incomes. A federal structure with some transfer powers decentralised unavoidably creates coordination problems. One coherent distribution of competences, which I would favour, consists in having both the basic income (or „federal dividend% and unemployment insurance organised at the federal level, while social assistance would be decentralised in both organisation and funding, within the framework of some general federally imposed standards and bearing in mind that the very existence of a federal basic income amounts to a significant co-funding of decentralised social assistance.

COUILLARD: Some might fear that once introduced and maintained at a substantial level, the UBI will constitute an additional factor attracting an overflow of (low-skilled) immigrants. Do you feel these concerns could damage the program? How could this problem be solved?

VAN PARIJS: Any guaranteed minimum scheme, not only of a universal type, raises this problem. It is pragmatically solved either by restricting immigration permits to people with a job and with skills in high demand, or by requiring several years of legal residence before qualifying. In the long term, however, just as one of the functions of Brazil,s modest minimum income schemes is to keep people in the countryside and reduce the swelling of urban favellas, a worldwide basic income will function to enable people to survive in the „peripheries% instead of putting an unsustainable pressure on the „centres%. Even more obstacles on the way

of this really „universal“ basic income than of a national one? No doubt. One more reason to start thinking about how to get from here to there.