Beyond Basic Income: Overcoming the Crisis of Social Democracy?

Basic Income Working Group

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ABSTRACT

Across Europe, a crisis of social democracy prevails. Deindustrialisation precipitates a breakdown of the communities, institutions and interests that held the social democratic and labour movements together. A collapse in everyday life passes over into a steady decline in the electoral realm. Elsewhere, a crisis of social reproduction ensues. The relationship between the wage and subsistence weakens, public services face cutbacks and a generalised dispossession of people from the commons continues apace. This triple crisis- of the society of work, social reproduction and social democracy- is a triple crisis of the social. The universal basic income (UBI) is suggested by many as a means by which the social synthesis can be pieced back together. In this paper we explore whether or not UBI lives up to the claims made for its implementation, and to what extent it addresses these three crises. We ultimately pose the question whether UBI offers a solution to the crisis of social democracy, and whether, on this basis, European social democrats should pursue the policy as a central demand of a new electoral offer. We conclude that the policy cannot be suggested as a solution to the crises of work and social reproduction, at least not without being complemented by a range of other measures. A suite of reforms could strengthen its impact and ensure it is used to nurture and preserve positive social relations that reflect social democratic ideas, rather than contrary outcomes implied in alternative visions of the UBI proposed from both right and left of the political spectrum.
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FEPS YOUNG ACADEMICS NETWORK

The Young Academics Network (YAN) was established in March 2009 by the Foundation of European Progressive Studies (FEPS) with the support of the Renner Institut to gather progressive PhD candidates and young PhD researchers, who are ready to use their academic experience in a debate about the Next Europe. The founding group was composed of awardees of the “Call for Paper” entitled “Next Europe, Next Left” – whose articles also help initiating the FEPS Scientific Magazine “Queries”. Quickly after, with the help of the FEPS member foundations, the group enlarged – presently incorporating around 40 outstanding and promising young academics.

FEPS YAN meets in the Viennese premises of Renner Institut, which offers great facilities for both reflections on the content and also on the process of building the network as such. Both elements constitute mutually enhancing factors, which due to innovative methods applied make this Network also a very unique project. Additionally, the groups work has been supervised by the Chair of the Next Left Research Programme, Dr. Alfred Gusenbauer – who at multiple occasions joined the sessions of the FEPS YAN, offering his feedback and guidance.

This paper is one of the results of the fifth cycle of FEPS YAN. Each of the meetings is an opportunity for the FEPS YAN to discuss the current state of their research, presenting their findings and questions both in the plenary, as also in the respective working groups. The added value of their work is the pan-European, innovative, interdisciplinary character – not to mention, that it is by principle that FEPS wishes to offer a prominent place to this generation of academics, seeing in it a potential to construct alternative that can attract young people to progressivism again. Though the process is very advanced already, the FEPS YAN remains a Network – and hence is ready to welcome new participants.

FEPS YAN plays also an important role within FEPS structure as a whole. The FEPS YAN members are asked to join different events (from large Conferences, such as FEPS “Call to Europe” or “Renaissance for Europe” and PES Convention to smaller High Level Seminars and Focus Group Meetings) and encouraged to provide inputs for publications (i.e. for FEPS Magazine: The Progressive Post). Enhanced participation of the FEPS YAN Members in the overall FEPS life and increase of its visibility remains one of the strategic goals of the network.
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Introduction

This paper looks at universal basic income (UBI) in a context in which much public commentary suggests it is an idea whose time has come. Policymakers of the left, right and centre offer competing visions of both what the UBI would be, which problems it addresses, and what the world it would help to survive and support will look like. For liberal commentators writing within the pages of the Financial Times, for instance (Wolf 2014), the UBI provides a means by which the contradictions of contemporary capitalism can be smoothed over and the continuity of life, consumption and commodification guaranteed. In these accounts, heard echoing around recent Davos conferences (Yamamori 2016, World Economic Forum 2017), the fallout from the ‘fourth industrial revolution’ can be contained with the implementation of a UBI. The proliferation of serious proposals and debates about the UBI at the European level point towards a strong likelihood that the measure can or will be implemented in some countries in the near future.

In light of this likelihood, here we focus specifically on its uptake among the European social democratic community. For social democrats, its current appeal as an idea relates, we contend, to the solutions it seems to offer to what can be seen as a ‘triple crisis of the social’. First, a crisis of society of work, sparked through flexibilization and automation. Second, a crisis of social reproduction (Caffentzis 2002, Bakker and Gill 2003, Leonard and Fraser 2016, Gill 2016) sparked by the severed link between the wage and subsistence and simultaneous cutbacks in the welfare state. Zechner and Hansen (2015) define social reproduction as ‘a broad term for the domain where lives are sustained and reproduced.’ Capitalist society is characterised by the lack of popular independent and collective means through which to secure life’s necessities and reproduce the conditions of living, exemplified by the overwhelming marketization and privatization of such means. Social reproduction is how workers, and the mode of production of which they are part, subsist and survive in the context of these conditions. Today, the limits of labour’s commodification have been breached, the link between the wage and the reproduction of the means of living has been broken, and the reproduction of labour power- and thus the reproduction of ourselves as healthy, productive human beings- is inadequately guaranteed in the context of an economy that cannot provide jobs for all with a wage to match. The promise of automation and the threat of technological unemployment only serves to worsen this bleak prospectus.

The resulting third strand of the triple crisis is that of social democracy. Sparked by the crisis of the work society and social reproduction, the crisis of social democracy sees parties of the left lose the legitimacy they once derived from an identifiable labour interest and the political and financial cover to enact programmes of social change in the name of this interest through the auspices of the welfare state. In light of this last crisis, some social democrats have seized on the UBI as an idea to regenerate the scant intellectual resources of the left in a time where its dreams are financially and politically out-of-bounds. But they do so largely only with reference to the crisis of work and how to solve it, without placing work in its proper place within a wider nexus of social relations incorporating reproduction as well as production. Indeed, the debate circulates around work and work alone. Some proponents frame their appeals in terms of a response to persistent and endemic unemployment. Others still herald the handmaiden of a new settlement with labour that will free workers from the compulsion to take on ‘bad’ or ‘bullshit’ jobs. Opponents frame their objections in terms of the dignity of labour or the necessity of
the work ethic.

Both sides of the debate miss the imbrication of work within a wider set of social relations. Postcapitalist dreamers read in the crisis of work a world of radical opportunity. More circumspect social democrats see only a workless dystopia. But both, in their own way, skirt the aspect of social reproduction. The crisis of the society of work is so pressing an issue because of its dual appearance as a crisis of social reproduction. On the other side, seeing work and productive activity at the centre of all social relations similarly elides the circumstances of social reproduction that make work a necessity to begin with. Without an attention not only to production but to reproduction, those seeking to solve the crisis of social democracy with a UBI geared to the escape from work can do so only unsatisfactorily.

Addressing ourselves to these one-sided debates, in this paper we suggest that the fundamental roots of these crises cannot be resolved by the implementation of a UBI alone, and the desired aims of its proponents can be achieved, if at all, only by their situation within a wider suite of radical reforms. The holistic perspective adopted here, from the standpoint of the triple crisis of the social, allows us to question the different assumptions about how a society would function under a UBI. Would the UBI merely be used to reinforce the present relationship with work, wages and the commodities they acquire? Would it simply support the current state of things for the efficient functioning of a capitalist system teetering on the brink of a breakdown in the subsistence and social reproduction of its citizens? How would UBI be affected by the wider relations of social reproduction in which it would be implemented? What does the UBI save, and what does it help us break with in the world of work, wages and subsistence? How is the UBI positioned within the desirable objective of reviving or reinventing a functioning and updated welfare state?

Most importantly, we ask whether, and if so in what form, a social democratic UBI would or could address the triple crisis of the social. By outlining the implications and shortfalls of its limited and reductionist construction and ramifications, this paper provides an orientation for future debates within and without social democratic parties and policymaking circles about what now appears an incipient and imminent possibility in the present that will be subject to increasing contestation over the coming years. In so doing, it builds upon existing work from the European social democratic movement, including recent publications by the Foundation for European Progressive Studies (Antonucci 2016; Adranghi et al 2016). Many of our reservations chime with highly complementary work completed over a similar period by Daniel Sage and Patrick Diamond (2017). In a recent Policy Network report, they highlight many of the same weaknesses of the UBI in bringing about the kinds of systemic change it promises, and suggest many of the same potential solutions. This resonance is welcome, but as in so many of such discussions hosted by the intellectual infrastructure of the European social democratic movement, the social conditions they seek to address are undertheorized. Owing to the foreshortened rationality of discourse in this area, there is a wider aversion to theory within these discussions, to which Sage and Diamond are not alone in succumbing. This has a tendency to lapse into what Adorno and Horkheimer skewered as ‘ticket thinking’ (1979, p. 205), whereby things are talked of without any enquiry into what those things actually are and how they relate to other things in a historically grounded set of concrete social conditions. Adorno suggested that critical theory has a capacity to say what is not said within the facts themselves. Facts, Adorno asserts, ‘may well contribute to the critique but may also, according to Critical Theory, obscure social structures’ that are objective, ignoring ‘the ownership of the means of production’ in favor of subjective and epiphenomenal indices like income (2003, p. 112). This use of theory can expose deeper objective associations between work, social reproduction, the state and social
democracy that more empirically-grounded accounts cannot.

It is towards a theorization of these deep links, as they relate to basic income, that this paper is committed. It contributes, in short, a theoretically sophisticated account of what European social democrats fumble with in their justly circumspect considerations of the basic income: what is the relationship between work and life under capitalism, and to what extent does the UBI fulfill its promise to overhaul it? With this it uncovers logical and historical presuppositions of capitalist social relations which proponents and opponents of the basic income alike are all too often wont to elide. By reifying capitalist social relations in their separate component parts, such analyses too frequently address themselves only to individual crises in turn, without grasping their interrelation at the level of the totality as a system. Most significantly, we suggest, where the debate at present focuses on work and an economy based on work—whether positively or negatively—there are powerful underlying forces that make this kind of society possible and necessary that the current conversation overlooks in favour of introspection about the future of labour and the economy as if these were given without social and historical foundation. Whereas, as we shall see, what is central to the basic income debate is that the very form in which we know labour and economic life is determined elsewhere, in a wider set of social relations.

We start from the standpoint that the fallout from the Great Recession has weakened the capacity of the normal channels to secure the means of comfortable existence for all within the current capitalism. Cutbacks in the welfare state, coupled with the delinking of subsistence from the wage, endemic unemployment and the physical and social and ecological exhaustion of the commodification of labour-power and nature place social reproduction in crisis. The weakening of work has undermined the wage as a means of subsistence. A looser relationship with a less secure wage is no longer sufficient to support the reproduction of the conditions of life and labour. The continuing political question of the welfare state marks out responses to this crisis. But the social democracy historically charged with superintending the welfare state is also in crisis. In developing our contribution, it is necessary to firstly explore how the UBI would address those three interlocking crises, namely the productive (work), the socially reproductive (life) and the social democratic (ideology). We conclude that, by not seeing the crisis of the first as simultaneously as a crisis in the second, social democrat proponents of the UBI have no means by which to solve the third. This, we suggest, highlights the wider weakness of the UBI as currently conceived.

1. UBI and the crisis of the society of work

In this section we will consider some of the proposals and objections that issue around the demand for a UBI on the terrain of work, specifically in its complexion as a solution to its crisis. As mentioned earlier, it has been widely argued that the world of work is not what it used to be. We live through a prolonged crisis of the work society. Deskillling, flexible specialisation, global division of labour, economic migration, and structural unemployment have gradually contributed to erode the fifties compromise which offered a job for life. Work’s weakening status in contemporary society has led some to suggest the imminent possibility of a post-work society. Automation, the child of the so-called fourth industrial revolution, risks sparking large-scale technological unemployment. In this scenario, an unconditional UBI is expected to solve the social contradictions caused.

It has been contended that the UBI supports the nascent social sector of the sharing economy and so-called ‘platform cooperatives’ (Srnicke and Williams 2015a). Other relationships with production and consumption are possibly created or transformed, exemplified in experiments with a tech-aided,
data-driven ‘circular economy’. In this way, UBI, its proponents argue, would be able to overcome and expand the current degree of freedom within the social relations of production by providing a minimum mean of subsistence beyond wages (Weeks 2011). It would, they suggest, create more conditions which allow the development of new forms of economic activity that could be socially innovative and productive in new ways. It is argued by some that the UBI would be able to support creative jobs, exploring new ideas without the urge of survival, by giving breath to risky and non-profit oriented activities such as arts, culture, entrepreneurship, innovation and so on.

The auspiciously ‘anti-productivist’ post-work perspective disavows the traditional attachment of the labour movement and social democracy to a politically-expedient valorisation of productive effort. However, it in fact exhibits a reverse productivism of its own, myopically focusing on work as the one thing that is bad about capitalism, changes in work as the one thing that determines changes in it, and its escape as the one thing that can bring it to an end. The proposal for a UBI flows from this denied productivism, without a wider suite of measures and a more ‘totalising’ approach to capitalist social relations that sees the buying and selling of labour power as conditional on a constrained basis of social reproduction, as we will go on to consider.

The disavowed productivism of the UBI’s proponents finds its twin in the defensive and reflexive productivism of its opponents. Within the labour and social democratic movement, this opposition has traditionally rested within the trade unions- although a succession of motions supporting the UBI passed at recent conferences of some of the UK’s major unions suggest this may be changing. The political expediency of the traditional labour theory of value has led the left to emphasise the power to resist capital that workers are granted by the material ability to provide or withdraw labour. Labour, as a factor of production that is also the sum of workers, has a positive associative connotation and is perceived as a significant locus of personal and political identity (Doherty, 2009), and thus a vehicle in civil society and for the fight against capital for better conditions and better paid jobs (Spencer, 2009). Moreover, there are well-established reservations about the UBI concerning the possibility the measure becomes no more than state subsidy for employers to maintain and proliferate forms of precarious low-wage employment. These objections to the UBI, whilst worthwhile and suggestive of the danger of liquidating the labour interest and with it the capacity of workers to fight back, mirror the parallel obsessions of the UBI’s proponents, seeing a world in which work sits at the centre of everything, without considering how the compulsion to sell one’s labour power is the symptom of a wider set of social relations grounded as much in reproduction as production.

Social democratic opponents of the UBI have also expressed concern about the loss of dignity and identity through work and the erosion of a contributory principle contained in the sense of receiving something for nothing (Crutdas and Kibasi 2016). A cognate criticism circulates around the scenario that UBI could become a driver for the further atomisation, and commodification of state services - turning state support into a purely monetary and individualized transaction, undermining its collective element and potentially being used to undermine wider institutions of social welfare and social rights such as the rights of the disabled. It is argued that cash transfers such as UBI, and the tendencies which they encourage, could in this manner undermine more systematic means of pursuing equality and social rights.

Against such concerns proponents argue that a properly designed UBI could become the basis for resisting commodifying pressures in a manner which simultaneously moulds and redirects current technological barriers and economic trends of inequality. If economic inequality relates primarily to the
classed relationship between the buyer and seller of commodified labour power, and the unequal relationships of property, ownership and dispossession that undergird this, UBI could free people, from the social relations of production and ownership with which economic inequality is associated by enabling them to detach themselves from the sphere of waged productive work and meet subsistence needs in other ways. Generalised across a society, this has the potentially powerful capacity not only to mitigate inequality but to destroy the system of productive relations that produces it in the first place.

The key issues in this disagreement, however, come down not to the qualities of UBI itself but the wider structure of social relations within which it is embedded. For UBI to be successful it would need to be part of a wider systematic project to change society and alter existing power relations and not a sticking plaster in a continuing neo-liberal erosion of welfare and workers’ rights. What is needed to recognise this underside of the labour question is a social reproduction perspective that draws our attention to the material supports for the world of work in the sphere of self-maintenance, care and subsistence. As Fraser writes (2014), whereas Marx ‘looked behind the sphere of exchange, into the ‘hidden abode’ of production, in order to discover capitalism’s secrets’, it is also necessary to ‘seek production’s conditions of possibility behind that sphere’. These, broadly, are also the ‘conditions of possibility of labour-power’, as Ferguson and McNally (2015) call it. Namely: why do we have to work, and what keeps us working? What keeps our ability to reproduce and sell our productive efforts intact and valuable? According to Denning (2010), capitalist social relations begin ‘not with the offer of work, but with the imperative to earn a living’. All talk of work is moot without recognition that much must happen, logically and historically, to make the society of work possible in the first place. Workers must first be deprived of the independent individual and collective means to reproduce the means of living, through dispossession, colonialism and enclosure. This sets them, as Marx suggested, ‘doubly free’, free of any fixed feudal ties and the stability that attended them, and free to dispense of their labour under the formally free contractual relationships of liberal equality before the law. This state of dispossession, whereby workers possess no commodity to sell but their capacity to labour, sees this labour-power sold in the contractual relationship between employee and employer.

But in order to be ready for market, this capacity must be reproduced, and with it the human being, who exists as nothing other than the sole commodity it has to its name: labour-power, the selling of which is the labourer’s umbilical cord with life itself. In the crisis of the work society, with a large degree of structural unemployment, greater job insecurity and shorter length of tenure for those in work, and incipient trends towards technological redundancy at the hands of automation, all exacerbated by the increasing and pervasive deprivation of public provisioning of social services, the struggle to live and subsist through the wage becomes ever more desperate and fragmented. The UBI is proposed as a solution to this, providing an income independently of the wage relationship, which for many people is now a fleeting and scarce opportunity.

But, as we shall see, Marxist-feminist approaches to social reproduction (Dalla Costa 1995, Fortunati 2015, Federici, 2012) have acted as a forum in which to complicate this aspiration and suggest other ways in which the UBI can be complemented in order to achieve the ends to which it professes to contribute. Marxist-feminists have enquired into the ‘manner in which labor power is biologically, socially and generationally reproduced’ (Ferguson and McNally 2015). By focusing on the sphere of domestic work and the gendered division of labour that circumscribes it, Marxist-feminist approaches to social reproduction complicate the prescription of the UBI by situating work within a longer story of the buying and selling of labour power, and the specific social conditions that make it both possible and...
necessary. This telling draws our attention to the activities and processes that reproduce that which we sell for our wage- labour power, our capacity to labour. In a world where the wage structures our relationship with the things we need to buy to live and eat, the reproduction of labour power is the reproduction of life itself. The wage is paid not for work itself in capitalist society, but for the reproduction of the commodity the worker sells- the sheer capacity to labour as the employer wishes for a given amount of time.

The wage is not a payment for work done, but the means of reproducing labour power. Taking a social reproduction perspective on the wage, then, raises questions about the extent to which the UBI can realistically purport to offer an alternative to the wage. It would reproduce us as labour power, in a world where waged work persists, but without the necessary expenditure of that labour power in labour itself. It claims to offer new routes for subsistence, but, by retaining the rule of money, implies that we would still have to secure the things we need as commodities. This implies in turn the dispossession that continually guarantees the ‘double freedom’ through which we have to work at all. By focusing on the escape from work as the crucial step needed to break with the present in a progressive way, proponents of the UBI associate capitalism with a particular kind or arrangement of labour- but, by looking at social reproduction, we can see that capitalism is imbricated in a wider set of social relations the basic income addresses only incompletely.

2. UBI and the crisis of social reproduction

The crisis of social reproduction, or what Nancy Fraser (2016, Leonard and Fraser 2016) calls a ‘crisis of care’, centres on the changing role of the gender division of labour and the shift in state support in the development of capitalism. In what Fraser (2016) calls ‘liberal capitalism’, women and children were largely still employed in factories and other enterprises. This meant that socially reproductive activities like cooking and caring for young children and elderly people were decentred from the domestic sphere and conducted more frequently in the community and public sphere, with the development of other, more autonomous arrangements for securing the social reproduction of workers and non-workers. With the rise of welfare capitalism, the labour force became increasingly centred around the male worker, as legislation kept children and seniors out of the factories and women were encouraged and expected to support the family’s social reproduction from within the home. Roosevelt’s New Deal, for instance, harnessed class struggle and male labour as the motor of the economy and restructured the relationship of women with work in and out of the home in order to ensure the social reproduction of the male workforce. This identified women within a gendered division of labour as those who should take care of the household economy, including food preparation, cleaning, child care, elderly caring etc. However, concurrent with this restructuring of the familial sphere in the service of the economy as a whole, the post-war period saw intensive political activity by social democrats and others contribute to the development of public services through the welfare state in the form of child benefits, childcare, elderly care, pension.

Subsequently, Fraser suggests, we see the rise of second-wave feminism at the same time as the neoliberal restructuring of the economic gathers apace. As institutionalised forms of formal assistance facilitated the integration of women into the productive formal labour market, as part of a set of political demands forged from a new feminist consensus, that same state support retreats in favour of private enterprise and a less protective and interventionist state. Meanwhile, at exactly the same time as women enter the labour market, work itself becomes more flexibilised and precarious. With the rise of
dual earner households where the female partner typically possesses a much more precarious relationship with work, in the wider context of a retreat of state support to take up the slack for the social reproduction of the family, a crisis of care is catalysed that sees the female partner remain within the same set of patriarchal associations with domestic labour, at precisely the point they have the least time and security in which to perform them. Increasing amounts of this domestic labour become commodified for those who can pay, and performed largely by migrant populations and women of colour, with the attendant intersecting inequalities.

The dismantling of the welfare system as a consequence of the neoliberal state has thus contributed to transfer those domestic tasks in two directions. Firstly, inward to capitalism since the withdrawal of the state has enabled the conditions for the creation of a private market which substitute for the state in the provisioning of such services. The commodification of social reproduction has been visible in various forms and venues: from the multiplication of private services of child and elderly care to the increasing marketization of already prepared meals. However, only richer classes can pay for such goods and services - hence the increase of exclusion and social inequality. But central to this story are otherwise women themselves. In fact, the most vulnerable strata of women, who are nowadays also more integrated in the job market, have faced increasing pressure to cope with the double burden of paid labour and unpaid household labour. Such increasing pressure and struggle for time triggers multiple undesirable consequences on their expectations for social mobility, wellbeing and ultimately socio-political participation. In sum, this silent failure of social policy on social reproduction resulted in a new polarization and inequality present within and between gender lines, and challenges the normative structure and connotation of what we call work. To what extent can the basic income solve the crisis of social reproduction, and with it recalibrate this essential but unrecompensed form of work, through which human beings are cared for, nurtured and raised?

On a policy level, whilst Marxist-feminists taking a social reproduction standpoint have been central in popularizing calls for a UBI (see Federici 2012), partly via demands around ‘Wages for Housework’, others have been more circumspect (see Weeks and Cruz 2016 for a discussion). In a recent interview for the UK social democratic think-tank Compass (Weeks and Cruz 2016), Kathi Weeks reiterates that, by giving ‘some measure of relief from the daily grind of sheer survival’, UBI could ‘shak[e] things up’ by ‘offering both men and women the opportunity to experience their working lives a little differently and to reorient their relationships to their jobs and households accordingly’, in a ‘more just, equitable and sustaining way’. However, she notes that the ‘demand for a UBI does not directly address either the gendered division of household-based reproductive labour or its privatization’, even possibly ‘serv[ing] simply to offer more support for the traditional heteropatriarchal family’s gender division of productive and reproductive labour, with more men participating in waged work and more women working in the home’. In this respect, the UBI could have a double trajectory for women: incentivising women to stay at home and thus contributing to their social segregation or relieving women from budget concern, especially those affected for the loss of jobs. The imperative to place gender front and centre of social democratic considerations of the UBI resounds in the consequences of the recent austerity measures. From recent studies (Olsen, Bayliss and Walthery 2014) it has been reported how women are the first ones to be cut off from the wage-subsistence relationship with additional and indirect risks of segregation, subordination and dependence on asymmetrical income relations. What effect would the basic income have on this?

The response of some Marxist-feminists has been to see not the basic income, but the
currently in a dangerous phase of prolonged deflation, especially in the EU, and uniquely of low or even consumption in thought, cannot overcome it in practice, remaining beholden to its crisis tendencies and its reproduction, and, by failing to capture the contradictory unity of production and consumption in thought, cannot overcome it in practice, remaining beholden to its crisis tendencies- of which the crisis of social reproduction is but one appearance.

This has to be raised in relation to the current crisis of ‘demand’. Developed economies are currently in a dangerous phase of prolonged deflation, especially in the EU, and uniquely of low or even
negative interest rates. Wages are also weak, which is undermining the purchasing power and overall growth potential of the economy. This deflationary risk, together with high unemployment rates and lack of growth, is one of the most urgent threats capitalism currently faces. In the context of global economic crisis or stagnation, it is argued that one objective of holding together the social will be to restore the spending power that has been rendered insecure and precarious by the broken link between the wage relation and the ability to secure the means of subsistence for social reproduction. This is a contradiction of crisis potential that the capitalist system has in recent decades dealt with through unstable expansions of credit, at the risk of sparking recessionary tendencies that further impinge on the ability of its citizens to subsist.

To this crisis of consumption, which carries the deeper crisis of social reproduction, UBI is proposed as a means to maintain such demand in the economy. Proponents suggest that, by increasing the bargaining power of labour, UBI would help the European economy to break out of its current deflation and maintain demand in the economy more effectively into the future. The contextual perspective for this counter argument is the acknowledgement that the redistribution of income through wage labour (unemployment insurance) typical of the welfare state is a paradigm that is finished. UBI, by stabilizing demand, could intervene at the consumption end whilst also rendering national and international economies less susceptible to crisis. Critics highlight the risk of excessive long-term inflation inherent in such a scheme. Although such criticisms are contested, it is true that the UBI would, all being well, exert an upward pressure on wages as workers flock to better jobs, with the attendant tendency towards inflation. Dealing with these inflationary tendencies in the long term would require a more systematic approach to social change with which proponents of UBI as a standalone, catchall panacea currently show no sign of seriously engaging. We will return to what such a suite of policies might have to contain in the next section.

In aiding demand, it must be recognized that UBI would be a structural change that would have implications beyond the current economic situation. While it may help to maintain consistent demand in the economy in the short term, this may in fact end up counteracting an ecological transition from constant growth that is marketed by some social democrats as one of UBI’s main benefits. In the longer term context, a model based on lower levels of production would be particularly susceptible to the problematic context of spiralling inflation, short of a wider project of restructuring the current economic and political system. But the vicious link between capitalistic production and environmental degradation is intrinsic and objectively expanding at a more worrying level (Moore 2015). Using the UBI as a Keynesian policy of sustaining effective demand will boost consumption and bring the ecology every closer to its carrying capacity. To this, green proponents of the basic income argue that UBI will trigger a decoupling from the ‘productivistic’ push internal to the mechanisms of capital accumulation and growth-oriented policies. With UBI people would spend more ethically and invest their time more wisely. In particular, the time saved from wage labour could be invested in the production of less processed food at a domestic or local level and therefore creating the condition for more sustainable environmental practices.

But each of these positions misunderstands the contradictory unity of production and consumption understood by theories of social reproduction, central to the crisis their versions of the UBI seek to address. The social reproduction perspective does not see production and consumption as isolated moments that can each be treated in turn. There are constraints on our capacity to consume, and these relate to the way we produce, and vice versa. On one count, increased demand may help meet
the overproduction present in worldwide capitalism. But there is only so much people can consume. On another count, UBI may divert us from the intensive productive activity on which our economic system rests and decelerate our dependency on the exploitation of natural resources. But, without a fundamental shift in the social relations that undergird a society based on the coexistence of overproduction and underconsumption, the possibility remains that it still stimulates the economy in such a way as to exacerbate tendencies towards reckless growth and environmental ruin. This would only add fuel to the fire of the crisis of social reproduction- which is itself, as Streeck suggests (2014), simultaneously a crisis of our relationship with the natural world. This is why the UBI cannot be seen as a standalone policy that in and of itself changes the world.

In the next section, we will explain what more would need to done to stabilize its impacts. If we expand the understanding of production-consumption linkages in a more systematic way, one should instead argue that the condition for social reproduction should be triggered by public support through organic investments in education, health and social care, social policy and civic awareness. In this the role of the State is still fundamental. UBI should not, therefore, be perceived as an alternative and an opportunity for the withdrawal of the welfare state from its tasks and or from its direct accountability in these areas towards citizens. Indeed, the means for social reproduction have been jeopardised as result of the fact that the welfare state has been dismantled as a consequence of two reasons: 1) financialisation, i.e. the creation of new forms of financial capital which have decoupled industrial capital (profit) and wages, bypassing the need for social bargaining. This has witnessed a transfer of value and income from production to finance (in turn connected to current problems of deflation). After 2008 the world has suffered because social democracy requires political governance impossible under the circumstances. 2) As a consequence, the contraposition of the market versus the state has been watered down, with a power asymmetry that arises favouring private capital and placing unacceptable pressure against workers. It is this nexus of issues, and not the magical thinking of UBI, that marks out the terrain on which the crisis of social democracy, and the triple crisis of which it forms a part, can be combatted.

3. UBI and the crisis of social democracy

So far we have explored the arguments in favour of UBI as a response to the crises of work, and of the sphere of social reproduction. Corresponding to its promise in these areas, it is sometimes treated as a solution to the crisis of political vision that is connected to these crises. Does this techno-utopian prospectus really offer a solution to the triple crisis of the social? What is in effect a crisis affecting the human capacity to meet needs of subsistence through conventional forms of social reproduction is celebrated in such visions as the incipient potential for a robotised economy where humans no longer need to labour. In so doing, this vision neglects the extent of the crisis and the work that needs to be done to repair the fabric of the social. We suggest here that the UBI cannot provide alone an immediate solution to the crisis of social democracy through the crisis of social reproduction. The crisis of the former links to the latter because social democracy is no longer fully able to provide basic needs to those on the receiving end of capitalism. But only if wishful thinking is overcome can social democracy address this crisis by means of the UBI. It must, we conclude, be accompanied by a suite of other complementary, necessary and unavoidable policies geared towards addressing the concrete issues around the provision of basic needs that confront us in the here and now, and not the pipedream of a future that may or may not attend its implementation.

At the political level, social democratic parties have increasingly decoupled their political
activities and programmes from labour movements and clear class interests oriented around production and the gains made possible by it. Across Europe, social democracy’s electoral star is on the wane. Fiscal contraction has squeezed the space for the development of social democratic policy, traditionally redistributive and oriented towards wage-led growth, public provisioning of welfare and state investment. In this context, the UBI has been posited as a technical remedy for the social insecurity that attends the crises of work and social reproduction. It is perceived as the means by which the link between money and subsistence can be maintained in a world where the relationship with the wage weakens. And it is taken as a material support for the new forms of social innovation that follow, encouraging the seeds of the sharing economy and internet-based forms of production present in society already.

More broadly, forms of UBI are being seriously proposed, discussed and even experimented both by politicians and policymakers on both the right and the left. The centre-right Finnish government has embarked on a pilot project for what they describe as a form of Universal Basic Income, in turn prompting debate and policy proposals from across the country’s political spectrum on the potential forms and possibilities of a UBI. Though ultimately strongly rejected, a ballot initiative for a Universal UBI also prompted national debates on the topic in Switzerland. Empirical case studies include also Utrecht in the Netherlands (Boffey 2015), and Guy Standing’s pilot in Kerala, India (Davala, Jhabyala, Mehta, and Standing, 2015).

Seizing upon this uptake across the political spectrum, current left strategy around UBI as a directional demand is part of a wider re-evaluation of left strategy. It seeks, as Milburn writes (2015), to echo ‘existing conditions’ and work within the ‘electoral turn’ that is witnessed across the radical left, where a compromise has been sought in seeking state power through electoral means. UBI inevitably features as an achievable and practical component of this. When there is agreement among figures like European Commission president Jean-Claude Juncker (see Fumagalli 2014) and Wolf- the good conscience of the most enlightened quarters of the capitalist class, the UBI seems an increasingly likely prospect as a means of containing capitalism’s contradictions. The strategy of making the demand for UBI directional (2015) works within this growing consensus to radicalize it, and purports to realise other aims beyond the mere protection of the status quo- although as we have shown here, it often struggles to separate its outcomes with those capitalism already achieves on our behalf.

Advocacy for a Universal Basic Income by left-wing candidates in the 2017 French Presidential Election, Benoit Hamon and Jean-Luc Mélenchon, have given UBI further prominence in discussions on the left. In the UK, a coterie of intellectuals and commentators close to the Corbyn project contribute to a continuing ideological effort to define the terms of the Labour Party’s policy agenda. Their efforts are borne out in the Shadow Chancellor’s so-called ‘New Economy’ policy seminars (Labour Party 2016) and ‘Socialism with an iPad’ proposals (Wintour 2015), top-level consideration of the UBI (Stewart 2016, Fenton 2016), and the recent unveiling of a digital manifesto eulogizing the sharing economy and platform cooperatives (Peck 2016). All these more or less accept the terms on which a post-work society is posited: automation, UBI and the use of liberating new technologies to create new forms of social innovation. This work is supported by the uptake in wider policy circles of the same ideas. Centre-left policymakers and think-tanks, including the Fabian Society (Harrop 2016), Compass (Reed and Lansley 2016) and the Royal Society of Arts (Painter and Thounge 2016) are all engaged in modelling exercises and discussions around the implementation of the UBI. In the Labour-friendly media, top journalists and commentators disseminate the ideas of automation and UBI as a route to a new social democratic
promised land (Harris 2016, Jones 2016).

For some proponents on the left, the UBI has become a panacea for all ills. It gained a foothold in pop-radical ideas around post-capitalism (Mason 2015a, 2015b, also see Pitts 2015, 2016), accelerationism (Mackay and Avanessian 2015, Šrnicek and Williams 2015a, 2015b) and ‘luxury communism’ (Bastani 2015). It is their primary—perhaps only—policy ask. And it is addressed to the same capitalist state which they auspiciously seek to escape. The UBI is therefore argued being one of the key piece of the ‘postcapitalist’ puzzle, purporting to remedy the social fallout following futurist fantasies of automating work away (for a critique see Dinerstein, Taylor and Pitts 2016).

Thus, the UBI is suggested by some on the left who desire a radical reimagining of how we relate to work and wealth. And it is suggested by those on the pro-market right as a means by which capitalism can smooth over the contradictions of a changing economy—technological unemployment, unaffordable basic goods—that play out in everything from foodbank proliferation and crime spikes to social upheaval and revolutions. In this way, both perspectives realise that the survival of society hinges on the ability of people to subsist and reproduce the means of both living and labouring. But the specific kind of society that survives is at stake. Future debates, then, must centre on the character of the society the UBI steps in to save.

What the critique of UBI as a solution to the crisis of the work society and the crisis of the social reproduction given so far has suggested is that it fails also as a solution to the crisis of social democracy. This is because to use UBI as a directional demand towards the kind of society we want to see rather than hitting and hoping on the chance that it delivers change, the implementation of many other substantial measures would be required. The way to implement a UBI is not straightforward. The most pressing questions with respect to UBI and current policy debates in Europe is how existing social support systems can be adopted or evolved into UBI systems in an effective and social-democratic manner, and secondly the role UBI can play in moving forward existing policy dilemmas and debates.

The precariousness that UBI purports to tackle is the product of bigger dynamics and mechanisms. The declines in work hours and in long-term, direct connections between employees and companies reflect these. For the most part, they are unlikely to be effectively reversed as a general trend. Moreover, it is not these developments in themselves that are problematic but their side effects—namely the lack of a secure job and living income. The purpose of UBI would be to detach these two phenomena by breaking a person’s dependence on the conditions of their work for their subsistence. However, this task becomes significantly complicated when we consider, as outlined in the previous section, the degree to which work and subsistence do not simply exist as a bipolar relationship that can be easily broken without wider ramifications, but are embedded within much wider structures of power and social reproduction.

A social democratic UBI would need to be a part of a wider social welfare programme, complementing existing public services, social insurance programmes and more specific supports. Here further requirements for an effective UBI present themselves. The first problem is the question of ensuring that the fiscal resources are available to pay for UBI. A genuinely social-democratic UBI, as opposed to the essential replacement of existing social welfare system that many right-wing proponents assume, would amount to a significant new cost for public finances. If a form of UBI did not amount to a significant extra cost for public finances, at the very least initially, this would in fact be a fairly sure sign that it was not genuinely social-democratic, but instead a reshuffling of existing support systems that could undermine existing welfare and social rights.
The need to find a means to pay for UBI becomes more pressing and more difficult in the context we assume in our model – that it would facilitate a move towards a system of lower work hours, lower growth and an end to dependence on waged labour. A reduction in the amount of work hours in the economy and in the proportion of wages in people’s incomes would inevitably also imply a reduction in the amount of labour income available for taxation. Additional means of funding would therefore need to be found, outside of the labour taxes and growth-dependent financing upon which the fiscal system of modern industrial states has relied. This would require significant new departures in either taxation, social organisations or both: such as much more extensive and effective taxation of wealth, and of financial transactions, or the expansion of social wealth funds or state ownership over profitable and productive elements of the economy.

Such new departures in revenue-raising would tend to require the stipulation and enforcement of legally binding international agreements on capital flow. For instance, there would need to be legal frameworks within global governance institutions that could create mechanisms to halt tax avoidance or evasion and to tax profits of whatever source. This would need to be done in a coordinated way on a global level to avoid fiscal dumping, and would need to be institutionalised to ensure its long-term reliability. The necessary international context would of course involve numerous and very high potential barriers to agreement.

Secondly, if UBI, as envisioned by left-wing advocates, had a liberating or de-commodifying effect that increased the bargaining power of labour, this would have long-term inflationary consequences once the current deflationary situation in the developed world had been overcome. The most common and reliable way of restricting spiralling inflation in the context of the increased bargaining power of labour is an institutionalized means of keeping wage demands limited to a level that is reasonable given the state of the productive economy. Most simply, and most immediately, this would require reintroduction of genuine institutional social partnership structures for agreeing wages across Europe. The context of declining trade union presence in the economy combined with the less reversible decentralization of work structures makes this more difficult. A partial immediate solution to this could be the implementation of elected workers’ councils and equal worker participation on company boards, combined with extensive national and European federal workers’ structures even without the necessary presence of trade unions, along the lines of the model currently existing in Germany. This would nonetheless not resolve the problem of inflationary pressure of workers’ wage demands in a context in which their labour-related income is not directly connected to the overall earnings or investment decisions of the company. This is especially likely to be the case in an economy with a decentralized workplace structure, which is the direction in which developed economies seem to be evolving and which, more importantly, most UBI advocates assume as a given or even as a positive. The ultimate solution to this could be the implementation of majority worker share ownership along the lines of the Meidner Plan proposed by the LO in Sweden in the 1970s and 1980s. This would connect labour-related income directly to the full earnings of a company and its investment decisions, thereby reducing the potential for excessive inflationary wage increases.

These wider structural requirements should not be seen a prerequisite for starting to experiment with UBI in a context in which workplace relations and wage share are distorted in favour of capital and the European economy principally has a problem with deflation. However, the extent to which the logic of likely indirect consequences of a progressive and labour-enabling UBI would necessitate much more radical and dramatic interventions in the capitalist economy point towards the fact that UBI ultimately
ends up facing the same dilemmas which it purports to solve for social democracy.

This policy platform could intersect with an agenda to make the most of the incipient trends towards automation and technological unemployment present within developed Western economies, which proponents of the UBI claim the measure adequately addresses in and of itself. This would entail realisation that the UBI alone is not enough to guarantee a new and fairer world, but that material relationship with ownership, property and the way in which we produce must also change. This might include, via the share ownership schemes mentioned above, worker ownership of new technology. Automation will not be liberating if all the benefits accrue to employers. The question is: who owns the robots? In advance of innovations like artificial intelligence, grapheme and 3D printing entering into widespread usage, governments should implement policies to ensure the gains they represent are shared as equitably as possible. Provision should be made for the ability of worker consortiums, coordinated by or with trade unions, to have first refusal and a subsidised share price on Initial Public Offerings of new high-tech firms. As the old economy dies, this would give workers a popular, collective stake in the new one just being born. This policy would lay foundations for the prosperity of today’s young people, and promise some measure of democratic control and ownership over big changes.

A second could be progressive reduction of working hours tied to productivity increases. With automation and technological unemployment on the horizon, we should prepare to push for a radical restructuring of working life. To build a future of work for young people that sits in harmony with technological shifts, labour should fight for a new settlement between employers, organised labour and governments on productivity and working hours. As productivity increases, with workers overseeing automated production processes, working hours should fall in turn. Initially, the progressive reduction of working hours attendant on increases in productivity could be achieved firm-by-firm through collective bargaining. But it could eventually become a policy coordinated by national government, just as the French government has actively intervened in weekly working hour limits, or as the German government implemented short-hours working in the wake of the financial crisis. With more time to spend on what we will, everyone stands to benefit from the greater automation of productive processes.

Conclusion

There is an increasing recognition on the left that the current prescriptions for labour markets lack ambition, relevance and political courage. In view of the recent crisis it has been argued that a UBI could offer a plausible point of reflection to each of these concerns, and as such interest in this kind of policy is burgeoning. It is a feasible prospect, with support across the political spectrum. However, social democrats must start thinking about how they relate to the demand, critically, politically and practically. In particular, they need to more critically analyse the implications and limitations UBI would have in practice in the field of social reproduction.

Many different projects are at play in the crowded field of UBI advocates. It is the grand scheme of choice for the left and, as stated previously, may increasingly be that of the right, too. It is embraced as either the opportunity to experiment with new ways of living or the chance to implement a policy capable of smoothing over the contradictions of a changing capitalist system. Given this growing support across political and class divides, and in the context of its likelihood as a possible future measure, this paper is a warning about the need to link this policy within a more grounded theoretical and empirical understanding of contemporary capitalism. Our contribution is to open the debate about what exactly UBI will entail and what the nature of the society it helps survive will be. Yes, it can help the current form
of capitalism survive. This is why we can talk about UBI as something realisable in the present. But what other kinds of capitalism can it help develop? Whilst ensuring continued reproduction of capitalist social relations based on polarization of wealth, it could also enable experiments and alternatives in how we reproduce ourselves apart from them, freeing us from reliance upon the existing system, collectively and individually. But it may also mean more of the same, and worse.

Crucially, the notion of what a social democratic UBI may look like (and what it may do) is critically underdeveloped. It often overlooks the much needed debate around an updated version of the welfare state, namely in its efforts to compensate for the polarising increasing inequality intrinsic to capitalist wealth creation. What is most lacking is a sophisticated systematic theory of what binds and undergirds work and economic life in capitalist society. Without this, the radical efficacy of the UBI can only be speculated at. Not least, debates suffer greatly from the absence of a clear conception of how a social democratic UBI might differ from those proposed by populists, conservatives and greens – and how it might fit within our values and principles. Fundamentally, it argues that much wider projects of social and economic transformation within which UBI may or may not be contained are of greater importance than UBI itself. Challenging the lack of real transformative forces behind the basic income, the theoretical resources provided in this paper are a contribution to the continuing efforts of social democrats to confront the fast-moving circulation of a policy whose time, we are told, has come. A critical perspective such as that present here allows us to ask: on whose watch?

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