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# **Income Security as a Right: Does Everyone Have The Right to a Basic Income?**

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WITHOUT PERMISSION OF THE AUTHOR/S.**

*The views expressed in this paper are those of the author(s),  
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## Abstract

The premise of this paper is that everyone has the right to live.

Simply because one exists, one is entitled to certain inalienable human rights...life, liberty, and the pursuit of happiness.

To secure these rights, everyone should be guaranteed a basic income by a government...enough for food, shelter, and basic necessities.

There is a moral obligation to provide every man, woman and child with a decent level of living. A person's right to be – the right to simple existence – is not something for others to grant or withhold as an economic carrot, or to give as a gift. It's a universal right.



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## 1. What is a basic income guarantee?

Everyone has the right to live.

Simply because one exists, one is entitled to certain inalienable human rights...life, liberty, and the pursuit of happiness.

To secure these rights, everyone should be guaranteed a basic income by a government...enough for food, shelter, and basic necessities.

Humans must be fed, must be clothed, must be housed, must be protected from cold, must have transport to and from their jobs, must be trained and educated, must be able to pay taxes that support the fabric of society, must have the means to secure adequate health care – in order to survive in today's world and, thus, to be moderately happy and content.

Everyone needs and should have the chance to secure those things without threat.

A Basic Income Guarantee (BIG) means an income paid by a government, at regular intervals, to each member of society. The money is paid whether the individual is rich or poor, lives alone or with others, or is willing to work or not. In some BIG proposals, the grant is paid only to adult citizens. In other plans, it is paid to everyone over age six. In still other proposals, the money goes only to those who have lived in a country for at least five years.

Providing an equal grant to everyone differs from the Guaranteed Income plans of the United States in the 1960s, which would have given money only to the poor.

The most common objections to a Basic Income Guarantee are that it will cost too much and that the threat of starvation is needed to make people work.

I will try to show that both of those objections are false, and that a BIG is a serious, practical idea; that it makes sense both economically and morally. In short, that everyone has the right to a Basic Income Guarantee.

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## **2. Why do we need a basic income guarantee?**

Worldwide, 1.2 billion people live in absolute poverty – surviving on less than one dollar a day. Each day in the developing world, 29,000 children die, mostly from malnutrition and preventable disease. One out of four people in sub-Saharan Africa are chronically malnourished. A quarter of the world's people never get a clean glass of water. Poverty exists even in most industrialized countries. In the United States, for example, one in six children grow up in poverty.

“Work” has been virtually everyone's solution to poverty for thousands of years. But it's doubtful if there was ever a nation with enough viable jobs for everyone able and willing to work. As was predicted a half-century ago, electronics and computer technology have taken over much of the routine work that people used to do. Many fewer people are needed to do the work to produce the necessary goods. The conditions that created jobs 200 years ago – mass production and the large organization – are disappearing. Technology enables us to automate the production line. Nations have gone from well paying, manufacturing jobs to low-paying, service jobs.

Work is not the answer. This is the hardest concept to sell to citizens and policy makers.

## **3. What are the advantages of a basic income guarantee?**

While a basic income would certainly help alleviate hunger and poverty, many argue its main benefit is the freedom it would create for people to pursue their aspirations, refuse grueling work, and leave abusive relationships.

A basic income guarantee would provide economic security to everyone. It would be like an insurance policy. It would give people the assurance that, no matter what happened, they wouldn't starve. Loss of a job, or sickness, or even death of a breadwinner, wouldn't drive a family into the poor house.



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It would make us all breathe a little easier. We'd also be freer from social conformity if our economic circumstances couldn't be used to control us. A person without enough money to live on is totally absorbed in his or her personal struggle and can't begin to live a normal, productive life.

A basic income guarantee would free us from the threat of starvation for the first time in history. It would be nothing short of a revolution – in a peaceful way.

A basic income guarantee would help to create classes of people who could move up in mobile societies. It would eliminate much of the hopelessness that now affects the millions who can't break out of the poverty cycle.

A basic income guarantee would stimulate economies; create jobs and opportunity. If people can't buy the basic necessities of life, those goods and services aren't produced. This, in turn, deprives other workers of jobs, thus reducing their incomes and consumption.

A basic income guarantee would end the bureaucracies of the existing welfare systems. It would end the demoralizing situations under which some people – the administrators of the programs – run other people's lives. It would save enormous amounts of administrative costs.

Adopting a basic income guarantee could get people to where the jobs are. People wouldn't have to fear the risk of trying new jobs, or moving to another area. It would be possible to think ahead; to plan.

People would have time to create, to think, to work in jobs that society needs but aren't profitable today – person-to-person services such as a homemaker for a sick person; visitors for invalids; working with youth, and so on.

A basic income guarantee would cut down on the migration of people to the cities. It would lessen the congestion and the pollution. Many people might well go back to the pleasures of small towns and country life where money goes farther.

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We should adopt a basic income because it would develop in a nation the spirit of community with one another. It would help bring divided nations together. It would help people to trust one another.

A basic income guarantee would help cut crime. People wouldn't have to resort to stealing to obtain food for their families. It would lessen the threat of terrorism. Impoverished people, with no hope and no future, would feel less inclined to become suicide bombers.

A basic income guarantee would establish the principle that people have a right to live – regardless.

As Erich Fromm wrote in “The Psychological Aspects of a Guaranteed Income:”

The most important reason for the acceptance of the concept of a guaranteed income is that it might drastically enhance the freedom of the individual. Until now in human history, man has been limited in his freedom to act by two factors: the use of force on the part of the rulers (essentially their capacity to kill the dissenters); and, more importantly, the threat of starvation against all who were unwilling to accept the conditions of work and social existence that were imposed on them.

Whoever was unwilling to accept these conditions, even if there was no other force used against him, was confronted with the threat of starvation. The principle prevailing throughout most of human history in the past and present is: ‘He who does not work shall not eat.’ This threat forced man not only to act in accordance with what was demanded of him, but also to think and to feel in such a way that he would not even be tempted to act differently.

A guaranteed income could, for the first time, free man from that threat. Nobody would have to accept conditions of work merely because he otherwise would be afraid of starving. A talented or ambitious man or woman could learn new skills to prepare himself for a different kind of occupation. People would learn to be no longer afraid, if they did not have

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to fear hunger. (This holds true, of course, only if there is also no political threat that inhibits man's free thought, speech and action.)

Guaranteed income would not only establish freedom as a reality rather than a slogan, it would also establish a principal deeply rooted in Western religious and humanist tradition: man has the right to live, regardless. This right to live, to have food, shelter, medical care, education, etc., is an intrinsic human right that cannot be restricted by any condition, not even the one that he must be socially 'useful.'

#### **4. Is a basic income guarantee a new idea?**

No. The idea is as old as history, itself.

The Old Testament teaches about each person's responsibility for his brothers and sisters. Statements by Amos, Micah, Jeremiah, and Isaiah illustrate the Old Testament view.

In the third century, B.C., Aristotle and Plato weighed in with: "Poverty is the mother of revolution and crime."

The New Testament is rife with stories about the Good Samaritan and Jesus' view of the world. "I was hungry and you gave me food. I was thirsty and you gave me drink. I was a stranger and you took me in." (Matthew, 25:35)

Thomas Paine, a leader in the American revolution, proposed in "Agrarian Justice" in 1795 "to create in every nation, a national fund, to pay to every person, when arrived at the age of 21 years, the sum of 15 pounds sterling, to enable him or her to begin the world. And also, 10 pounds sterling per annum during life to every person over the age of 50 years, to enable them to live in old age without wretchedness, and go decently out of the world."

In 1890, Pope Leo XIII said: "Economic life cannot be left to a free competition of forces because competition, while justified and certainly useful if kept within certain limits, clearly cannot direct economic life...as this evil individualistic spirit has more than sufficiently demonstrated."

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“I am indifferent to the character of the workman,” Winston Churchill said, when proposing the first unemployment insurance legislation in Great Britain in 1911. “It is the duty of society to change the conditions in which he works. Should a workman lose his job through drunkenness, the state should nonetheless pay him his insurance. I do not like mixing up moralities and mathematics.”

The French Government has stated: “Man, from birth to death, has the right to be protected by the community. All of France’s social legislation is dominated by the determination never again to place man in the position of begging.”

The French Constitution spells it out: “Any individual who, because of his or her age, his or her physical or mental condition, or because of the economic situation, shall find himself or herself unable to work, shall have the right to obtain from the community the means of a decent existence.” Article 25 of the Universal Declaration of Human Rights of the United Nations, approved in 1948, states: “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing, medical care, and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his control.”

In his 1962 book: “Capitalism and Freedom,” U.S. economist Milton Friedman wrote: “We should replace the ragbag of specific welfare programs with a single comprehensive program of income supplements in cash – a negative income tax. It would provide an assured minimum to all persons in need, regardless of the reasons for their need.”

In his 1967 book: “Where Do We Go From Here: Chaos or Community?” the Rev. Martin Luther King, Jr., came on board: “I am now convinced that the simplest solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income. A host of positive psychological changes inevitably will result from widespread economic security. The dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the assurance that his income is stable and certain, and when he knows that he has the means to seek self-improvement.”

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In 1969, a Presidential Commission recommended, 22-0, that the United States adopt a guaranteed income for every needy American – with no work requirements. The National Council of Churches, by a vote of 107-1, agreed. So did economists James Tobin, John Kenneth Galbraith, and Paul Samuelson, the Kerner Commission, the California Democratic Council, the Republican Ripon Society, the 1972 Democratic Party Platform, and the 2000 Green Party platform.

In the late 20<sup>th</sup> century, a form of negative income tax for those who work at low wages was adopted by the United States. Old-age pensions are now common in most industrialized nations.

In the United States, many people over age 65 get a basic income guarantee. Called “Social Security,” the amount is based on employment history. The money is deposited monthly by the government to the accounts of eligible recipients -- rich and poor, alike -- with no work requirements. People who live past age 77, according to some estimates, receive money from the government over and above what they paid in during their working years.

In the state of Alaska in the United States, a form of basic income was adopted in 1980. It’s called the “Alaska Permanent Fund,” which has now reached \$21 billion. The money comes from royalties from oil drilling on Alaska’s North Slope. In 2001, the payout was \$1,963.86 per person, or \$7,855 for a family of four. Everyone who has lived in the state for at least one year gets the same amount. There are no work requirements.

In 2002, a South African government task force strongly supported implementation of a basic income guarantee of 100 rand (about US\$10) a month for each man, woman and child age 7 to 65. The plan is promoted by a broad coalition of labor unions, churches, children’s advocates, the elderly, women, and AIDS activists.

Needless to say, many people think a Basic Income Guarantee is a dumb idea.

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In my 1983 book: “Guaranteed Income: The Right to Economic Security,” I raised all the objections of the other side. I asked the toughest questions. And tried to answer them in a way the layperson could understand.

Listed below are among the strongest objections.

#### **4.1 Why would anyone work if their income was guaranteed?**

First, to earn more than a bare subsistence living. The basic income guarantee would be set at a minimum level – enough for food, shelter, and basic necessities. If people chose not to work, they would also be choosing not to escape poverty.

Second, tests show that people want to work. We need work to feel useful to ourselves and society. We thrive on work. We want to be busy. We want to spend our life in a meaningful way. Most millionaires who don’t have to work nevertheless spend their time working or in some meaningful activity.

The lives of lottery winners remain much the same as before they hit the jackpot. In 1984, a study of 576 lottery winners in the United States was conducted by Dr. Roy Kaplan of the Florida Institute for Technology. The winners received amounts ranging from \$50,000 to \$2 million, to be paid over 20 years. The study showed no significant behavioural changes for the huge majority of winners. “Only 11 percent (49) of the winners quit their jobs during the first year after winning, out of a total of 446 winners who were employed at the time they won,” Kaplan concluded. Of winners who received less than \$10,000 a year, only five percent quit their jobs. Most who left their jobs did so to spend more time with their children; 44 went back to school to further their education; 59 made career changes.

We all have to take a break once in a while. We all need a holiday. But to spend our lives that way is boring. Retirement for many has been lonely and empty.

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But others have found it possible for retirement to really enrich their lives. For them, it's opened up new horizons of creativity, service and freedom. To do volunteer work. To travel. To read, write, create.

And what is work? Just a job? Or anything that's productive? Is a volunteer at a hospital less productive than the same person on an assembly line? Is a mother caring for her children at home less productive than if she were flipping burgers at McDonald's? Is a man who paints a portrait of the sea for his own pleasure goofing off, but working if he sells the painting to someone else for money?

Work isn't just what we get paid for doing. It should include all meaningful activity.

And why must we always be doing something to prove our worth as human beings?

Shouldn't the basic conditions of human existence be secured before we talk about earning or deserving a living? The whole point of economics is to provide the material things we need to live a fulfilling life. Not the other way around.

"Our national objective," said Friedman, "should be to have the fewest possible jobs, that is to say, the least amount of work for the greatest amount of product."

When unemployment insurance was started in Europe before World War I, it was ridiculed as a free handout to shiftless freeloaders; as a reward for being lazy. Why would a person ever go back to work? Thirty years and a crippling depression later, the United States adopted it for a handful of workers. Those workers and their families later became the most stable and productive in the nation.

#### **4.2 Why not guarantee everyone a job by making the government the "employer of last resort?"**

This means a government would create a job for everyone who wants to work. On the surface, it seems like a good idea. But it won't work. It's even

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more complicated than guaranteeing a basic income. And more expensive. And virtually impossible.

On the plus side:

- § It provides income for those able to work.
- § It might be productive, like building roads, or public transit, or working on environmental problems.
- § It provides on-the-job training which might eventually be used in private enterprise.
- § It provides payment for work, not as a dole.

On the minus side:

- § It doesn't provide a wage for those unable to work.
- § A government would have to create an untold number of jobs. This isn't possible, let alone practical.
- § Even if it were possible, a government would become a vast, monstrous employer. It creates even bigger bureaucracies than the ones we're trying to get rid of.
- § It would cost more than providing a basic income guarantee to every citizen.
- § Once on a government payroll, it's doubtful workers would ever move into private enterprise jobs.
- § Many of the jobs created might be of the make-work variety. Digging a hole and filling it up. The destructive impact on morale of these programs is well known.
- § In every case, a lower governmental official would decide who was employable and who was not.



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Making a government the “employer of last resort” is not the way to go. The answer is to provide a basic income guarantee to everyone. Then provide each person with the incentive to find work in the private sector of the economy.

#### **4.3 If society provides the right to an income, doesn't it also have the right to demand responsibility from those who receive it?**

Yes, it does, and it should. But by incentives, not by force. Because incentives will work better than force. Each of us has a moral right to an income from society, but each of us, in turn, has a moral responsibility to that society – to contribute, to learn, to work, to give the best that we have.

In his 2001 book, “We the People,” Steven Shafarman proposes that each person, in exchange for a basic income, voluntarily perform eight hours of “Citizen Service” each month. “You could serve in many different ways, according to your schedule and interests. You might do recycling or environmental restoration; be active with a service organization or civic association; volunteer in a public hospital or drug-treatment facility; or participate on a community board, jury, panel or commission. Parents could assist in parent-teacher associations. Peer pressure would encourage everyone to serve.”

#### **4.4 What about those who choose not to fulfil their moral responsibility?**

Legally, they'd be within their rights. But consider the price. They'd have to live on a bare subsistence income. They might be bored and frustrated by a lack of meaningful activity. They could be alone and out of touch with others.

Misuse of a Basic Income Guarantee would likely disappear after a short time, just as people wouldn't overeat on sweets after a few weeks.

But let's be honest. A few people probably won't work. But so what? There are freeloaders under any system. The question we have to ask ourselves is what kind of a world do we want to live in. Should we tolerate vast discrepancies in wealth between rich and poor? Should we reject a revolutionary new social

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program that would provide dignity and security to all, just because we're afraid some poor guy is going to chisel us out of a few nickels and dimes?

If men and women are inherently irresponsible bums, the basic income guarantee is the most stupid idea anybody has come up with. If, on the other hand, we believe that humans can become responsible, than a basic income guarantee is the only thing that will lead us into a freer society.

#### **4.5 Why should productive people contribute to non-productive people?**

Perhaps because we're a compassionate people. Because we know it's right.

This is really an old question. It's the usual approach of opponents to all social change. It was used in virtually all nations against the adoption of pensions, unemployment insurance, free health care -- even against free public education.

Should we refuse to care for our children or our aged because they are "non-productive?"

"I believe that as long as there is plenty, poverty is evil," said Robert F. Kennedy. Centuries earlier, Samuel Johnson declared: "A decent provision for the poor is the true test of civilization."

There is a moral obligation to provide every man, woman and child with a decent level of living. A person's right to be -- the right to simple existence -- is not something for others to grant or withhold as an economic carrot, or to give as a gift. It's a universal right.

#### **4.6 Has the basic income guarantee ever been tested?**

From 1968 to 1979, four separate Negative Income Tax experiments were undertaken in different parts of the United States. The means-tested study of 8,700 families showed people given guaranteed incomes worked about 91 percent as much as those who weren't. Men in the test groups worked six percent fewer

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hours than the men in the control groups. Test-group wives cut back work hours more than husbands.

The Seattle-Denver experiment was the biggest. It covered 4,879 families (2,063 white, 1,960 black, 856 Hispanic-American). Different minimum income levels were tested. Some families received a minimum of 100 percent of the poverty line. Some received 75 percent. Some only 50 percent.

And different “benefit-reduction rates” or “tax rates” were tested. Some families’ benefits were reduced 50 cents for each dollar earned. Some were reduced 70 cents.

The Seattle-Denver test found:

Under various alternative cash assistance programs that contained no work requirement and were not combined with any provision of job search assistance, training, or public service employment, husbands in the experimental group worked only slightly less – six percent fewer hours – than husbands in the control group.

For wives and female family heads, the percentage decline in work effort was greater – 17 percent and 12 percent, respectively – as compared with the relevant control group. But since most wives in low-income families and female family heads work relatively few hours, the absolute decline in their hours of work was small. These declines in hours of paid work were undoubtedly compensated in part by other useful activities, such as search for better jobs or work in the home. Cash assistance programs would not cause a massive withdrawal of workers from the labor force, as some have feared.

The New Jersey experiments agreed:

The reduction in labor supply is likely to be quite modest, less than 10%, at worst. The case for a work test in a cash transfer program is weakened. Moreover, whether a work test could prevent the small reductions that do occur is questionable

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While not an official government test, the 22-year experience of the Alaska Permanent Fund is instructive. In 1994, the Fund mailed a survey to Alaskans. When asked how they planned to use the current year's dividend, 25 percent said they would save it, 33 percent said they would spend it, and 42 percent said they would save some and spend some. Almost half said they would use the money to pay off bills and help meet daily expenses.

“The dividend has allowed me to stay at home with my preschoolers instead of going to work,” said one woman. Another responded: “We’ll use our dividend to pay off a current student loan. Next year we’ll put it toward our son’s future education, and then we’ll put it toward retirement and daily cost of living.”

The Fund determined the \$527 million dividend in 1994 led to the creation of nearly 7000 jobs in Alaska, or about 13 jobs for each \$1 million. The dividend has given Alaskans an opportunity to save for college tuition, down payments on homes or cars, or retirement.

#### **4.7 Would a basic income guarantee cost too much?**

When we ask: “What will it cost?” we make a mistake. We should ask: “To what are we committed?” In World War II, we didn’t say: “What will it cost to defeat Hitler?” We went out and did what we had to do.

In the late 1970s, the U.S. National Academy of Sciences – hundreds of experts from around the country – came out with a report concluding that world hunger and the worst aspects of poverty could be ended within one generation. What was missing was political will. In other words, there are enough resources on this planet to make sure that no one should go hungry or malnourished. But until that political will becomes a reality, world hunger and malnutrition will continue to exist.

In the richest industrial nations, productivity, wealth and national incomes have grown sufficiently to support an adequate BIG.

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Granted, if a BIG is set at a country's poverty line, multiplying the grant by the population creates frightening amounts – often more than a government's total expenditures. But that calculation is misleading. A wide range of current benefits can be eliminated or reduced once a BIG is in place.

If other social programs are abolished – such as housing subsidies, welfare programs, farm subsidies, price supports, student loans, business loans, employment programs, all of which require massive bureaucratic costs -- the cost of a BIG can be quite reasonable.

The BIG, in all plans, is taxable. For many high earners, the tax they pay on their BIG grant, combined with the higher income tax they would pay (most likely by abolishing personal exemptions), will largely offset the cost of the BIG grant.

The social costs of allowing poverty to exist are enormous. It costs more to care for the physically stunted and mentally damaged victims of poverty than it would cost to feed them as babies. It costs more to build prisons and provide security against terrorism than it would cost to feed poverty-stricken, no-hope children early in their lives.

“People who feel the world is tilted against them,” Bill Gates said, “will spawn the kind of hatred that is very dangerous for us all.”

Moreover, a BIG could be “self-liquidating,” meaning it might cost nothing. As people's incomes increased, much of the money would be spent on consumer goods. That would stimulate economies, creating new jobs, new taxpayers, and new income for the government to replace what was given out.

During the Guaranteed Income debates in the United States in 1970, even conservative Senator Russell Long admitted: “Cost is not the problem. The objection is paying people not to work.”

Another renowned American conservative, Senator Robert Taft – “Mr. Republican” – said in 1949: “I believe that the American people feel that with the high production of which we are now capable, there is enough left over to prevent

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extreme hardship, and to give to all a minimum standard of decent living and to all children a fair opportunity to get a start in life.”

It is wrong to see social programs solely as costs, without assessing their considerable benefits. They constitute an investment in society. Programs that provide basic life supports, help develop skills, and bring hope are indispensable in a civilized society.

Providing a BIG to everyone is not “throwing money at a problem,” as some have suggested. Rather, it is “investing in success.”

## **5. What is the future of BIG?**

Despite the fact that the basic income guarantee makes eminent sense when put to serious study, most people in capitalist nations think “paying people not to work” is a bad idea. At times, it appears hopeless that the idea will ever take hold, especially in conservative countries like the United States.

But if a serious effort to push the concept were ever made by the political and economic leaders of a country, public opinion could likely be turned around in a year or two. The task of activists and national BIG groups around the world would seem to be to keep the idea alive, continue the research and discussion, keep pushing in a realistic way, and be prepared for the opportunity which one day will come.

It is from numberless diverse acts of courage and belief that human history is shaped. Each time a person stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope. And crossing each other from a million different centres of energy and daring, those ripples build a current, which can sweep down the mightiest walls of oppression and resistance.

Robert F. Kennedy