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The Liberal's Dilemma: Immigration, Social Solidarity and Basic Income

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1. Summary

Liberal? I use the word in the American sense not the free-market liberal sense, i.e, leftward-leaning, what the Italians call *persone per bene*. I assume that proponents of a basic income belong to that category. I also assume that one characteristic of such people is likely to be a hostile reaction to xenophobic outcries against asylum-seekers, immigrants, health-service tourists etc. They are likely to be tolerant unchauvinistic multiculturalists, horrified by the Le Pens and Haiders of this world, in favour of internationalism, cosmopolitanism. But it is reasonable to suppose that there is a connection between cultural diversity/homogeneity, the strength of a sense of national identity, and social solidarity. Immigration and the diversity it brings weakens social solidarity. For basic income, as a sharing of income within a given, usually national community, to be politically acceptable, there needs to be some sense of sharing membership in that community on the part both of the givers in the exchange and the receivers.

2. Why social solidarity counts

Perhaps British exceptionalism is too pronounced to take its welfare problem as typical of European societies, but the most likely route by which Britain will arrive at a basic income system is through a combination of wage subsidies and growth in benefit fraud.

3. Why a continuing growth in wage subsidies?

The growing dispersal of the primary earned income distribution in OECD economies is a complex phenomenon, but a primary factor is a slow but continuous shift in scarcities along the skilled/unskilled spectrum, due primarily

to the continuing cumulative growth in the body of technical knowledge deployed in money-earning activity. Although this growth in “things to be learned” can be matched by a similar growth in training facilities, experience has shown that there is a limit to the extent to which improvements in education can bring a matching upward shift in the distribution of learning abilities. Where “work not welfare” ideologies dominate, wage subsidies seem to be the only effective way of keeping the low-paid out of poverty. In Britain the system which, when it began, was limited to families with children, is being extended to all low-paid workers.

4. Why a growth in benefit fraud?

Because the adjustment of the primary distribution towards lesser inequality and the prevention of outright poverty increasingly takes the form of a growth in targeted, means-tested, as opposed to universal benefits, especially of those types of benefit which invite collusion in fraud between beneficiary and landlord or beneficiary and employer. With this expansion of the potential occasions for fraud, goes the continuing decline in deference, and continuing globalisation with its tendency to erode a sense of belonging to a national community and hence of having obligations to a national state.

5. Why should wage subsidies and fraud lead to a basic income?

As the wage subsidy budget grows, the extra cost of shifting to a universal basic income at a level which makes a large part of the means-tested benefits unnecessary would diminish, and as fraud increases, its consequences (indignation of honest tax-payers and anger at government which does not prevent it; hardening of fraudsters’ sense of alienation from mainstream society with possible consequences for criminality, etc.) make a shift to universal benefits more attractive.

6. A paradox

That the diminution of the sense of social solidarity produced by increasing fraud should spawn a system whose acceptability depends on a sense of social solidarity. Can the argument “we shall thereby cure these anti-social tendencies, we shall help to reknit the ties which bind us together in one national community” be effectively used politically to promote the shift. And is it likely that the promise of that argument will be fulfilled? And does it make a difference to the answers to both of those questions whether there is a large proportion of immigrants in the population, or whether the immigrant ratio is higher among benefit recipients or benefit fraudsters than in the population at large?

7. Questions for social scientists

How much does the literature on citizenship help one to specify the sort of “social solidarity” that makes income redistribution via taxation and universal benefits politically acceptable? In particular how does one explain the apparent paradox that the sort of individualism which one would imagine antithetical to that sense of community, which can promote income redistribution, seems to promote rather than inhibit the sense of community, which leads to aggressive patriotism. Think of Mrs. Thatcher at the time of the Falklands war and the flag-waving United States after September 11th.

8. Rights and duties

My expectation has always been that a switch to universal income rights would have to be accompanied by an increased emphasis on, and some kind of institutionalised requirement for the performance of, citizen duties. (Something more than jury service, more on the lines of national service still preserved in most continental countries.) I would prefer that the two were not directly linked in

a participation income – i.e., that failure to perform duties would not be punished by removal of that particular income right. But is the acceptance or otherwise of citizen duties one way both of discriminating between those eligible and non-eligible for a citizen's income, and also one way of politically justifying the introduction of basic income?

9. Questions for liberals

And that has implications for the multiculturalism versus assimilationism question. Insistence on citizen duties would imply deliberate efforts at assimilation. Are recent British moves towards assimilationism a step in the right direction?