Basic income: from redistribution ideology to work as life fulfilment and socio-cultural revolution, and what this means for the implementation strategy

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The discussion about the introduction of a basic income often centres on the perceived need for a redistribution of incomes. The emphasis in this paper will be on the arguments that will become increasingly important in the discussion on basic income in the short and longer term. We do not only do this on the basis of the theme of redistribution. It is also about work as life fulfilment and the socio-cultural revolution that can be expected after many issues that cause the current social chaos have been internalised.

Basic income and redistribution

The main ideology in the plea to introduce a basic income today is a redistribution of incomes in such a way that people at the bottom of society will be better off. This is then supported by the idea that there are enough people with higher incomes and/or wealth who can contribute to this. A basic income provides income security at a minimum level. In this plea, there are three issues that will increase in importance in the short and medium term, i.e., the growing group of flexible workers, increasing individualisation and the climate crisis.

* A report of the Netherlands Scientific Council for Government Policy (WRR, 2017) shows that the era of mainly permanent jobs is over. This has to do with technological possibilities (Internet, mobile telephone), but especially also cultural developments such as the desire among young people for more freedom of choice and autonomy. There is also a strong desire to combine care and work. More and more people are working part-time or as self-employed. This **growing group of flex workers** will always be faced with uncertainty about future incomes, pension, what happens in the event of illness and incapacity for work, accrual of holidays, etc. According to Hanauer and Rolf (2017), all these uncertainties mean that the growing group of flex workers are no longer regarded as middle class. This has strongly negative consequences for economic growth. A smaller middle class leads to declining consumption. After all, the middle class is not so much the *result* of economic growth as its *driver*. People with economic security, the main definition of middle class, have confidence and buy houses, a car, invest in health, education of children, etc. In addition to an adjustment of the traditional social security system, so far mainly aimed at permanent jobs, a basic income as basic security would bring the growing group of flex workers back into the middle class.
* In economically more developed countries such as the Netherlands, for example, the introduction of a universal and individual basic income will also provide an answer to **increasing inequality as a result of individualisation**. This has led to an increasing number of people with an independent income. The uniform breadwinner household from the 1950s no longer exists. At that time, the average income per individual was fairly uniform, only the number of children per family differed. In the 1980s, individualization with more different incomes per household and more different family relationships meant that on average, only four people were dependent on a single income. Now, it’s just two people. That in itself is not the problem, but the increase in diversity of the family composition caused by individualisation *is*. Although this diversity makes the average income per individual difficult to measure, it is certain there are large differences. Compare the family with two earning parents and two earning children living at home with a traditional breadwinner household. And if in these times of individualisation, the breadwinner also leaves the family, there is little left for the rest of the family. The individually paid basic income provides a solution because it reinforces individualisation. Everyone gets an income, even within the aforementioned traditional breadwinner households. Individualisation becomes the norm. This reduces the problem of income inequality between individuals.
* An increasingly serious **climate policy** will only increase the pressure on lower incomes in the coming years. An important part of such a serious climate policy is the pricing of pollution by taxing all emissions of greenhouse gases such as CO2. Each unit of emissions is charged to both businesses and consumers. After all, that provides the greatest incentive to make reductions. It is clear that the lower incomes cannot afford this. This is probably why this pricing is moving so slowly (European Commission, 2021). The introduction of a basic income will help enormously in this regard. The revenues from taxes can be used for financing. Taxes on labour can also be reduced. Moreover, the need for an international introduction of basic incomes to compensate for the pricing seems to become increasingly urgent as the climate deteriorates. This makes it possible for everyone to contribute to the solutions.

Economic growth and a reasonably functioning labour market are important pillars in this focus on redistribution of income. It makes it easier to implement such a redistribution politically and economically. However, such a justification for solidarity should not be necessary at all. **After all, the introduction of a basic income is based on the efforts of many generations before us** (Millner (1918, 1920), Boyce, Barnes (2016)). The link between current wages on the one hand and individual work performance on the other is effectively loosening. Pay is increasingly less personal. Our current level of prosperity, as initially reflected in people’s primary income, is the result of many years of productivity growth to which many generations have contributed. Our high income levels can, therefore, not be put down only to the labour performed and capital invested in companies at this point in time. As a result, even in these turbulent times (climate, pandemic, war) the claim for redistribution via a basic income remains intact.

Basic income and work as life fulfilment

The introduction of a basic income therefore reduces income inequality but does much more. It also narrows the distinction between paid and unpaid work. Perhaps this will also make people choose other professions; there are many jobs that are regarded as hardly meaningful by employees. Students no longer have to earn or borrow, they can study full-time without having to worry. People will be able to choose more freely, for example, working more or less in paid employment. More or less voluntary work and informal care are also possible, or spending more time on that creative side. And what is work anyway? If we take care of other children, it is classed as work, but taking care of our own children is unpaid labour.

**Arguments for a broader definition of work** can be found, for example, in a recent Dutch study (Beer de P., 2022). No more than one in three workers say they consider a good wage or salary to be very important. On the other hand, two out of three people find enjoyable job content and pleasant people to work with very important. And work you are proud of and room to show initiative also score higher than the salary. The same study also shows that the concept of ‘productivity’ has hardly any meaning, even though traditional views often associate wages and paid work with achieving (labour) productivity. All in all, typical results for a prosperous country like the Netherlands. In many poor and developing countries, such studies will yield very different results.

In the conclusions of his study, De Beer emphasises that the idea of a well-functioning labour market is a myth. A well-functioning labour market, in which supply and demand match up smoothly through wage adjustments, has little to do with reality. A person’s chances on the labour market are not so much determined by the relationship between his wages and labour productivity, but much more by four factors that should not really play a role in a real market, namely your category (gender, origin and the like), your relationships, coincidence and your current position. Although we could reduce the influence of those factors (such as on the one hand through anonymous applications, perhaps using algorithms, or on the other hand reducing income differences), it will not have sufficient effect for a large part of the population, according to De Beer. And furthermore, if we want to offer this group a real chance of valuable work, we cannot avoid creating special subsidised and/or sheltered workplaces for them. That’s the only way to really eliminate the influence of category, relationships, chance and position.

A discussion about the introduction of a basic income would certainly have been appropriate. After all, a basic income is explicitly about reducing income differences, but above all also about a broader definition of work, so the less privileged can also work without subsidisation, but with a justified basic income as a foundation.

In addition to the discussion about a broader concept of work, more and more literature throws up indications for a socio-cultural revolution in which the introduction of a basic income plays a role alongside and in conjunction with many other major changes.

Basic income and socio-cultural revolution

In recent literature we find more and more indications for such a revolution. Professor of transition science **Jan Rotmans** (2021) expresses this in a fantastic way. “We live in a change of era in which everything that is taken for granted is being questioned. We need no fewer than 10 major changes to move to a different liveable era, i.e., in the fields of energy, raw materials, circularity, agriculture and food, space, finance, education, healthcare, society and democracy. It’s about a considerable change with a fundamentally different way of thinking, acting and organising. This initially leads to chaos and unrest, which is necessary to move forward in the transition. This chaos must therefore be embraced, it leads us further.” On the basis of these 10 transitions, Rotmans describes a future vision, ‘The Netherlands in 2121’, and naturally includes the basic income as a component. According to Rotmans, it provides the necessary social peace and security.

Rotmans gives an all-round vision of the socio-cultural revolution. Other authors discuss parts of this revolution. **Yanis Varoufakis** (2015) advocates a transition from the current shareholder capitalism to a more co-operative post-capitalism, with a direct flow of income to everyone through the government through a basic income as an important element. He emphasises the yields we have made collectively. The contemporary paradigm according to Varoufakis is that we have a private production of wealth which the government then skims off for social purposes. In reality, however, our production is collective, an interplay of market and government. But this production is then completely privately appropriated. The parts/technology of an iPhone are produced collectively and then fully appropriated by Apple. A direct flow of income, BI (basic income), to everyone brings that back into balance.

**Yuval Harari** (2019) expects that the labour market of 2050 could well be characterised by a collaboration of (highly educated) people and Artificial Intelligence (AI). According to Harari, these people are constantly involved in retraining processes. Not only the ‘job for life’, but even the notion of a ‘profession for life’ may disappear. A major problem, however, is that this required expertise will not provide a solution for the disappearing jobs of the unskilled. So a new class of ‘superfluous’ may well emerge, unless other models are developed for societies, economies and political systems that are no longer based on labour. Those models will have to be based on the need to protect people rather than jobs. Harari (2019, Chapter 2) then describes how universal basic income will then be a realistic alternative, but will not solve everything. Due to the reduced employment for the less skilled, there is certainly a chance of an increasing dichotomy between poor (only a basic income) and rich. See also Andrew Yang (2020).

An important role in the socio-cultural revolution is the increasing social discussion around the theme of meritocracy. A good description of this can be found in “De Tyrannie van Verdienste” by **M. J. Sandel** (2020). See my book review (Stroeken, 2021). Sandel’s analysis is razor sharp. What he brings to the fore more than anything is how present-day populism is only indirectly fuelled by the unequal distribution of income and essentially dominated by an ethical and cultural component. A growing section of the population feels underrated. This has everything to do with the tyranny of merit driven by the meritocratic ethos that, over the past decades, has led to hubris. This hubris is reflected in the winners’ tendency to let their success go to their heads, forgetting about all the luck and good fortune that helped them along the way. Those who make it to the top believe with self-satisfied conviction that they deserve their fate and that those who end up at the bottom do too. This leaves little room for solidarity. This could arise if we were to realise just how haphazardly talent is distributed and how randomly fate can befall us. Merit-based pay is, according to Sandel, thus a form of tyranny - an oppressive regime - professed by the adherents of a self-satisfied conviction. And so, he launches into a plea for a sweeping public debate on how to move from today’s individualisation to a greater sense of solidarity and more self-fulfilment for all. What is essential in this respect is his conclusion that for many to be successful in life, all forms of education and work would have to be taken equally seriously. Without explicitly mentioning it, he points to the core of what the implementation of a universal basic income is all about: more equal recognition of current paid and unpaid work, a stimulus to go to school.

Implementation strategy

Much knowledge is still lacking about the implementation of a basic income among large parts of the population. It is important for everyone interested in basic income to provide **good insight** into how this can be implemented step by step and is therefore very affordable. Reyer Brons (2021) provides a complete overview. The countless ways of financing and also the many variants of implementation are discussed. It is now clear to BI sympathisers that there are plenty of alternatives to implement BI step by step without too many problems. They also need confirmation that this will not have a negative effect on the labour market. Although the usefulness of conducting BI experiments can be doubted, they do indicate neutral or positive labour market effects. According to traditional economic models, negative labour market effects would occur due to lower participation, especially among the less educated. Nevertheless, for all lower incomes up to the average, the current incentive to work more is not or hardly present due to the existing poverty trap. The complicated system of income-related schemes, allowances, deductions and tax credits is to blame for that. Reducing the poverty trap due to a non-conditional basic income then seems to lead to an increase rather than a decrease in the labour supply.

There is still a great lack of information in general. There is still a long way to go in that respect. Because of this relative obscurity and the negative attitude towards a basic income that exists among parts of the population, it seems necessary to run the **implementation in small steps**.

1) Redistribution

First, implementation in small steps could be done **via the back door**. In that case, the basic income is not mentioned as such, but presented as a practical solution to specific problems with the income distribution. A good example in the Netherlands would be the replacement of the many conditioned and often income-related allowances and tax credits. They pose many implementation problems. They also cause negative effects on the labour market. For example, workers on a minimum wage will hardly benefit from an increase in the minimum wage. After all, most of the increase flows back to the treasury, because the means-tested schemes continue to exist. An obvious alternative would be the replacement of these income-related schemes, proposed by various political parties, with a single distributable tax credit or negative income tax.

**A front door policy**, in which the basic income is explicitly emphasised, however, also seems possible when more and more people become aware of the climate problem. A clear and explicit policy to introduce environmental levies in combination with a basic income seems to be increasingly likely. An increasing awareness of inequality through individualisation could also stimulate such a front door policy.

In the implementation of a basic income, the implementation via the aforementioned **negative income tax** is recommendable. Implementation via a general benefit/tax credit results in a large gross-net process, first receiving a full basic income and later giving it back through high taxes. However, the result, the net result, is in principle the same as with negative income tax (Stroeken, 1986, 2020). However, this is a one-stage rocket because basic income and income tax are directly linked at the same time. As people earn more, they gradually lose basic income. This overcomes the often-raised objection that higher incomes do not need a basic income. The gross-net process is also much smaller, but the net result is in principle the same as with the other option. A first step of 500 euros via negative income tax would cost an estimated 6 billion euros in the Netherlands (Stroeken, 2020). Relatively easy to realise, with a slight increase in income tax or even better, with an increase in climate or capital levies.

2) Work

Ultimately, every step taken towards basic income leads to a different definition of work. There is more to choose from, for example, for work that you are proud of and that offers room to show initiative. Informing and discussing this **broader definition of work** is important for the implementation of a basic income in addition to the redistribution aspects. For the time being, however, this seems to be mainly reserved for more developed countries. Considering substantive exciting work and pleasant people to work with more important than wages is not really an option for people in countries with little economic growth. And also emphasising work you are proud of and room to show initiative hardly seems realistic in that case.

Some of the less developed countries should also be warned. **The implementation of basic income should never serve as an excuse to compensate for a weak economy and lack of employment.** Such a basic income would keep people somewhat satisfied. In poorer developing countries such as South America, for example, the introduction of a basic income is often questionable because of the lack of will for a sound economic policy, especially when it comes to countries with autocratically oriented governments. Argentina is a prime example of this, a country which, for many decades now, has been subject mainly to autocratically oriented Peronism. This type of regime likes to keep control and an international economy with fairly open borders is incompatible with that. Domestic businesses, which are heavily dependent on the government, are protected by heavy import duties. The market mechanism is also malfunctioning domestically. There is great poverty. Half of the economy is black and much of official employment takes place in the government. For political reasons, generous benefits (“*planes sociales”*) exist for the non-working part of the population. Despite very high taxes, government debt is constantly much too high. Without a true culture of paid work, the implementation of a basic income would be the confirmation of hopelessness, salaries for some people only and persistent poverty. All in line with the countless “*planes sociales*” that convey the same negative message. So it makes no sense whatsoever to implement a basic income in the current economic and political situation, with a populist government with no real will to create jobs and economic growth. Argentinian Daniel Nieto (2021) recently argued that the implementation of basic income in Argentina could be a precondition for growth. But that would also have to go hand in hand with a different policy of more open borders that generate investment, with market competition instead of the existing enormous protection, and with a professional labour market and falling taxes.

3) Socio-cultural revolution

In the discussion about basic income, both the shorter and the longer term play a fundamental role in a socio-cultural revolution. In addition, the implementation of a basic income coincides with many other major changes. The human being is once again central. The first steps are observable. Active citizenship through the now many local citizens' initiatives is proof of this. Care cooperatives, food cooperatives and energy cooperatives are examples of this. These are also examples of a desire for local democracy because the old vertical model of politics no longer works. Personalised wishes are also observable in the labour market, as evidenced by the changing labour market wishes of young people. The big (research) question then is how the introduction of a basic income relates to all these different transitions and how it will speed up the arrival of a society with fundamentally different thinking, acting and organising.

The view of basic income will then gradually change from a guaranteed income for the lower paid to an **automatic place in the financial-economic labour system**. We see complete embedding in a society with a broader view of work in which all forms of education and work are taken seriously, in which social peace and security prevail, in which everyone gets their rightful share from the collectively produced and in which pride has given way to solidarity and greater social equality. Basic income will form a natural part of the overall national benefit and tax system. As a result of this integration, the term basic income will gradually disappear and find its way into the history books.

Final conclusion

As argued here, the current and future discussion about basic income should mainly focus on the increasing importance of income redistribution, the changing view of work and, partly linked to this, the socio-cultural revolution that awaits us. It’s important to focus on that. After all, in daily practice, the discussion is often driven by the still large group of people who are against it and who, mainly instinctively, assume the basic income will have adverse effects on the labour market and is too costly. You cannot convince these people with yet another implementation method or funding source. Adverse labour market effects and high costs have been sufficiently refuted in the countless experiments and calculations in recent years. Debate on this ultimately only distracts from the real discussion: what role can basic income play in conjunction with other changes in the profound socio-cultural change that awaits us and that leads to a fundamentally way of different thinking, acting and organising. This can really strengthen the arguments for introducing basic income in future society.

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