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# 1. Basic Income – Radical Utopia or Practical Solution?

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## a) Changing landscape of social policy

The approach to social policy has changed fundamentally in both Europe and North America in recent decades. This can be seen especially in the ongoing efforts to redesign welfare policy. Governments have taken different approaches to addressing issues such as social welfare/security, labour market policies and the provision of services in areas such as education and health. Interpreting these changes can be challenging. Trends in social welfare are no longer simply a question of whether the resources allocated are rising or falling. In the changing world of the 21<sup>st</sup> century individuals have greater mobility, greater autonomy and greater responsibility.

Ensuring that everyone has the basics required to live life with dignity is a much more challenging task today than it was even two decades ago. We have seen the emergence of issues such as activation, social investment, social inclusion and the growing focus on the connection between rights and responsibilities. These developments have been part of a broader debate where many believe that it is critically important to curb the level of social spending while others have argued that the state should increase the level of its social investments.

There have been two opposing viewpoints concerning what has been happening. On the one hand, many argue that there is a neo-liberal logic underpinning developments in recent decades and that this approach implies the dismantling of the traditional welfare state. On the other hand, many believe that what we are seeing is the development of reforms that help to modernise welfare and ensure that it adjusts effectively to 21<sup>st</sup> century realities.

## b) Three key developments

There have been three key developments in recent decades that need to be noted. The first of these developments concerns citizenship. The understanding of citizenship as it was defined by T. H. Marshall was the dominant understanding that underpinned policy development for decades. Marshall (1973) understood the welfare state to have emerged from a broadening understanding of citizenship and the rights that went with being a citizen. In the eighteenth century *civil rights* had emerged. These included rights such as freedom of speech, freedom of thought and freedom of religion as well as the right to own property and to fair legal treatment.

These were followed in the nineteenth century by the emergence of *political rights* for citizens. These included the right to vote, to hold public office and to participate in the political process. Marshall saw the twentieth century as having produced *social rights*. These included the right to economic and social security through education, housing healthcare, pensions and other services. These are often referred to as social, economic and cultural rights. This third stage in the development of rights led to the acceptance of the view that everyone was entitled to sufficient income to live a full, active life irrespective of their background. The acknowledgement of social, economic and cultural rights advanced the idea of equality for all and promoted the goal of tackling inequality in society.

Marshall's interpretation was based on his experience of the UK. The evolutionary path he set out was not replicated by experience in other countries. Turner (1990) showed that countries such as Sweden, France and Germany had travelled different pathways towards these rights. There is also disagreement on whether or not Marshall saw his analysis as a description of what happened in the evolution of rights in the UK or whether he believed it to be a causal analysis that was, in effect, an evolutionary process. Either way, his core point that rights and responsibilities are closely linked with the idea of citizenship has been very popular in recent years as the idea of 'active citizenship' has been promoted.

Marshall's understanding of an evolving and expanding set of rights linked to citizenship continues to exercise major influence. Some would go so far as to argue that the evolution of rights continues and they point to the

emergence of rights and responsibilities towards the environment (called *environmental or ecological rights*) as a further development in this process.

When we review the developments in approaches to social policy in recent decades, it is clear that citizenship is still relevant. Some have placed a greater emphasis on people's obligations as a counterpoint to their rights. Others have argued for a strengthening of people's 'participation'. However, it is clear that two factors that were essential to the development of the kind of citizenship envisaged by Marshall must be in place if citizenship is to thrive: firstly there needs to be a recognition of the interdependence of the political, the social and the civil dimensions of policy and a realisation that ensuring their interdependence is respected and maintained requires that progress will usually be gradual; secondly there is a need for a social dialogue that can ensure the experiences and concerns of vulnerable and/or excluded groups are recognised in the development of the common good. Without these two aspects being present good social policy that promotes citizenship is most unlikely to be put in place.

The second key development in recent decades concerns benefits, entitlements and the welfare state. In some cases, these have been protected. There have been some cases in which benefits and entitlements have been protected and the welfare state has not been downgraded. There have also been many cases which have led to reduced benefits and/or entitlements or to a downgrading of the welfare state. Evers and Guillemard (2013) conclude that the picture is complicated.

“One cannot make one single interpretation that reads the development solely in terms of the ‘re-commodification’ of welfare in line with a ‘liberal logic,’ whereby governments are withdrawing from the social sphere and handing it over to the marketplace. None the less the authors in this volume do agree on the need to be alert to the convergence of qualitative changes that are occurring in the post-war welfare state.... The welfare state is being remoulded and the founding principles of the post-war arrangement are being transformed.”

Evers and Guillemard: 2013:360

Different governments are using different approaches. Some have emphasised ‘social investment’; others have highlighted the ‘enabling’

state; others again have focused on the 'active welfare state'. Some of these developments are reducing welfare benefits while others are not. What is clear is that these adjustments are bringing qualitative changes to the welfare state.

The third key development which flows from the two already highlighted is that we are witnessing a change in the paradigms underlying the welfare state. While there is a recognition that ongoing funding of the welfare state is challenging, the principal focus has not been on achieving purely quantitative targets. Rather a qualitative focus has sought to discover new ways of ensuring that welfare could be delivered in a more efficient way that suited the changing economic and political reality. There are new ways of understanding the welfare state, new ways of designing it and new ways of providing welfare. We are also seeing changes in the objectives for the welfare state and in the instruments being applied to achieving those objectives. Those who are arguing for an activating social investment agenda are in fact seeking a profound paradigms shift. They see welfare as not only about protecting people but also about enhancing their capacity to deal with their changing environments; they see this as social investment and argue that its benefits will be seen in political social and economic terms.

Reviewing these developments Evers and Guillemard (2013) conclude that there are:

... five major principles that govern the activating social investment agenda: a redefinition of the state's role; the future as the new horizon for interventions; a rebalancing of rights and obligations; a move from the goal of equality towards that of inclusion; and governance that is based on a 'mix' of the 'pillars' on welfare. The arrangement of these major principles and the weight given to each has led to quite different reforms, depending on the time and country and the way they get interpreted in these contexts, with varying consequences on the scope of individuals' social rights and on citizenship.

- Evers and Guillemard: 2013pp. 361-61)

All this analysis and interpretation has been questioned in light of developments since the economic and fiscal crash of 2008. A new reality

seems to have emerged, one in which social policy has been downgraded and relegated to the sidelines when major decisions are being made.

### c) Economic and fiscal crisis<sup>1</sup>

The financial crisis from 2008 led to the sharpest contraction of European economies since the Great Depression. In 2009, for example, the economic output in the countries of the European Union shrank 4.5 percent, the largest annual reduction in GDP since its creation (Sundaram *et al* 2014). The crisis led to a rapidly dis-improved social situation across Europe in which more than 6 million people lost their jobs. This, and a range of austerity measures, led to increases in poverty and social exclusion, growing inequalities and divergences between countries. *Social Justice Ireland* has published an annual report reviewing these developments. The most recent of these publications (*Social Justice Ireland: 2015*) argues that the background to the global economic crisis is associated with bad regulation and bad financial practices in the United States, which in turn affected the entire world. These practices can be linked to attempts to maintain and to boost demand in an economy in which poorer people were encouraged to keep borrowing and spending and which led to a massive debt finance bubble (Stiglitz 2009). The distinguished economist and philosopher Amartya Sen is amongst many distinguished economists and others pointing out that what began as a clear failure of the market economy (particularly associated with financial institutions) was soon interpreted as a problem of the overstretched role of the state leading to a prioritisation of austerity policies (2015).

Amongst the responses in Europe was an initial expansionary fiscal approach attempting to mitigate the effects of the crisis. However, as the crisis spread a series of measures were adopted including

- **Consolidation and Adjustment**- reducing deficits throughout the EU through fiscal consolidation along with lending to distressed countries with requirements to undertake structural adjustment programmes and austerity policies;

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<sup>1</sup> The authors wish to acknowledge that this and the following section draw heavily on *Social Justice Ireland's* publication *Europe: A Union for the Powerless as well as the Powerful?* and wish to acknowledge our debt to our colleague Ann Leahy who is the main author of that study.

- **Fiscal Supervision** - creating supervisory structures to enable the European Commission and other member states to monitor the budgets of individual states through new fiscal governance mechanisms, and the enshrining of fiscal rules into the law of each member state (through the Fiscal Compact).

The new governance provisions seek to limit budget deficits to no more than 3% of GDP (within that to target a structural deficit of below 0.5%), which means that governments now have little scope to slow the pace of consolidation or to undertake investment policies that support growth. These are political responses to an economic crisis and are inappropriate. They limit the scope for Keynesian-style strategies to combat recession and thus they penalise or rule out the use of some of the most effective weapons in any governmental toolkit for combating unemployment in a recession. The economic justification for the current EU approach remains hugely contested.

Another policy was to bolster the Euro currency and to ensure that no bank should fail as this risked collapsing the European financial system. A 'no bond holder left behind' policy resulted in a massive socialisation of the debt accumulation of private banks in the peripheral countries – meaning that citizens were forced to adopt the debts accrued by financial institutions. The ongoing lack of acknowledgement that creditors and debtors alike contributed to the crisis and are responsible for their actions makes the situation even more difficult for many debtor countries. This has led to a situation where a perception of a democratic deficit at the heart of the EU has been reinforced and citizens of many countries experience a sense of powerlessness.

More recently (March 2015), the European Central Bank launched a programme of quantitative easing<sup>2</sup> intended to last until 2016 and designed to stimulate the economy by encouraging banks to make more loans available. (Many other central banks had already done this during the recession).

Sen (2015) argues that the austerity approaches adopted deepened Europe's economic problems, and did not help in its objective of reducing the ratio

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<sup>2</sup> Quantitative easing essentially means creating money by buying securities, such as government bonds, from banks with electronic cash that did not exist before. The new money swells the size of bank reserves in the economy by the quantity of assets purchased (The Economist, 9 March 2015)

of debt to GDP to any significant extent – in fact, sometimes quite the contrary. Sen concludes that:

If things have started changing, over the past few years, even if quite slowly, it is mainly because Europe has now started to pursue a hybrid policy of somewhat weakened fiscal austerity with monetary expansion. If that is a half-hearted gesture towards Keynes, the results are half-hearted, too.”

- Sen: 2015

Sen is also critical of the policy leaders of Europe for not allowing more public discussion, which he argues might have prevented policy errors through the standard procedures of deliberation, scrutiny and critique.

Thus, in recent years, the European political discourse has been dominated by issues of budgetary consolidation, economic recovery and protecting the euro. The Union, especially the currency union, is often seen as a question of signing up to rules, as if central bankers and not the elected representatives of member nations should make the fundamental decisions in any kind of democratic confederation (Mazower 2015). Against this backdrop people affected both by the economic crisis of 2008 and by subsequent austerity measures have become disenchanted with the European project in many countries. The European elections in May 2014 had clearly shown voter discontent across Europe with mainstream politicians losing seats and EU citizens voting instead for Eurosceptics, populists and the far-right as well as for anti-establishment parties from the left.

Even in strict economic terms, as the European Commission has noted, unemployment, poverty and inequalities undermine sustainable growth by weakening demand in the short term and by affecting potential macro-economic growth in the longer term through reduced access for many households to education and health services and ‘hence to sub-optimal use of human capital’ (2015:15). In its review for 2014, the Commission Directorate for Employment, Social Affairs and Inclusion concludes that, while there are improvements, Europe is facing an uncertain outlook (2015).

## **d) Impact of the crisis on social policy**

The OECD has described the economic crisis following 2008 as having cast long shadows on people's future well-being and pointed out that some of the social consequences of the crisis (such as in family formation, fertility and health) will only be felt in the long term (OECD, 2014). They instance cut-backs on essential spending by families, including on food, which is detrimental to their current and future well-being.

The European Commission has noted that during the crisis following 2008, the reduction in social spending was stronger than in past recessions. They attribute this partly to fiscal consolidation (2014). While social expenditure on things like unemployment benefits, pensions and health helped maintain aggregate demand in the early years of the crisis, their capacity for stabilisation weakened over the prolonged recession due to factors such as increasing numbers of long-term unemployed people losing entitlements, austerity measures that meant cuts in public expenditure, and due to the phasing-out of early stimulus measures taken to counter the crisis (European Commission 2015). A EUROMOD analysis from 2014 illustrates the impact of measures introduced from 2008 to mid-2013 in twelve European countries, taking account of changes in taxes and social contributions and in cash benefits (pensions and others) – but not cuts in services (De Agostini et al, 2014). It found that the impact of these measures on household incomes was particularly strong in Ireland (-17 percentage points), Greece (-14 percentage points), Portugal, Spain and Lithuania.

While the Europe 2020 Strategy is focused on achieving high levels of employment, productivity and social cohesion, it is well recognised that social cohesion is declining or at least under new pressure (Eurofound and Schraad-Tischler Kroll 2014). This is due not only to the economic and employment crisis but also due to longer-term trends such as growing inequality, immigration and increased cultural diversity and increasing social disparities in relation to issues of poverty, labour market access, health and equitable education.

The following table shows clearly that the number and percentage of people at risk of poverty and/or social exclusion or experiencing severe material deprivation or living in households with very low work intensity have all grown dramatically since the crash of 2008. Despite the rhetorical

commitment of the European Union to implementation of the Europe 2020 strategy during this period, the impact of the crisis on social policy shows it was given nowhere near the priority and resources required if it were to be a substantial counterweight to the austerity policies which were given priority in all areas of policy-making. In practice the commitment did not go beyond the rhetoric.

### People experiencing Poverty, EU-28, 2008 and 2013<sup>3</sup>

#### Poverty Indicators 2008 and 2013

	People at risk of poverty or social exclusion		People at risk of poverty		People experiencing Severe Material Deprivation		People in households with very low work intensity	
	Number	%	Number	%	Number	%	Number	%
Total population								
2008	116.5 m*	23.8*	81.3*	16.6*	42.3*	8.5*	34.4m*	9.1*
2013	122.9m	24.5	83.3m	16.6	48.3	9.6	40.7m	10.8
Children (under 18)								
2008	25.3m*	26.6*	19.4m*	20.4*	9.5m*	9.9*	7.3m*	7.7*
2013	26.3 m	27.7	19.2m	20.2	10.5m	11.1	8.99m	9.5
Older people (over 65s)								
2008	19.3m*	23.4*	14.97*	19*	6.2m*	7.5*	n/a	n/a
2013	16.4m	18.2	12.35m	13.8	6.2m	6.9	n/a	n/a

Source: Eurostat Online Databases: t2020\_50, t2020\_51, t2020\_52, t2020\_53, ilc\_jvhl11, ilc\_li02, ilc\_mddd11, ilc\_peps01. \* relates to EU-27 countries, not EU-28, as this was prior to the accession of Croatia.

The Bertelsmann Stiftung foundation carried out a cross-country comparison in relation to social justice and found that social justice exists to very different extents within the EU, with countries varying widely in their ability to create an inclusive society. They also found that rigid austerity policies and structural reforms pursued during the crisis have had negative effects on social justice in most countries (Schraad-Tischler Kroll, 2014). Using a composite social justice index, they found an overall negative trend since 2008 in all but three countries of the EU (those being Poland,

<sup>3</sup> This table has been taken from *Social Justice Ireland's* study: 'Europe: A Union for the Powerless as well as the Powerful?' by Ann Leahy, p.15

Germany and Luxembourg) and that the social justice index has decreased most obviously in Greece, Spain Italy, Ireland and Hungary (Schraad-Tischler Kroll, 2014). They also found that opportunities for every individual to engage in broad-ranging societal participation are best developed in Sweden, Finland, Denmark and the Netherlands.

Overall they conclude that some countries that perform in a middling way in economic terms, notably Czech Republic, Slovenia and Estonia, still demonstrate a comparatively high degree of social justice, while other countries, notably, Greece, Spain, Italy and Ireland, have a comparably high GDP per capita but a relatively low ranking on social justice and they recommend that these countries now plan not only for stable growth but also for improved participation opportunities for a broader portion of the population.

The capacity of national unemployment benefits to stabilise income when faced with an unemployment shock varies across countries and is limited in some member states. These include Italy, Greece, Slovenia and Estonia (where it is less than 10%), but this contrasts with the situation in continental and Nordic countries (where it is up to 25%) (Dolls et al, 2012 cited in Maselli and Beblavy 2015). Thus, an issue that the crisis of 2008 and the subsequent years has highlighted is the significant shares of unemployed people who are not covered by standard safety nets, such as unemployment benefits or social assistance income or schemes of ‘last resort’- even in some of the ‘older’ countries of the EU.

There has been a subdued recovery in Europe since 2013 along with welcome improvements in the employment situation. However, rates of poverty and/or social exclusion are still very high. Unemployment, especially youth unemployment, is also very high in many countries and at the same time key public services have been under pressure and there has been a lack of public investment which is detrimental to sustained economic improvement.

As discussed already millions of people in the EU are unemployed and many more millions live in poverty and/or social exclusion. In some countries, gaps in protection systems leave many people in extreme situations, while, in addition, cuts to public services disproportionately affect lower-income groups. There has also been a rise in precariousness of working conditions

for many people. The life-chances of many children are adversely affected by more precarious working situations (of their parents), cutbacks in benefits and reductions in key services. Very great divergences exist and have worsened in many cases between member states of the EU and between different groups within countries, something that undermines trust and cohesion. The people affected are not the people who benefitted from the unsustainable debt levels amongst private banks that led to the crisis of 2008. This situation is very far from the inclusive growth approach to which the Europe 2020 Strategy commits the EU.

Experience shows that improvements in the labour market do not necessarily lead to a reduction in poverty. This implies that, independent of any improvement in the economic and employment outlook, a combination of effective policy interventions is required. The likelihood of escaping poverty on a lasting basis when moving into employment depends on the quality of jobs, including decent pay and sufficient working hours to earn a living, and on measures supporting households that are increasing their level of labour market participation (for example, taxation for the second earner, childcare and other measures) (European Commission 2015). The OECD argues that maintaining and strengthening support for the most vulnerable groups must be part of any strategy for economic and social recovery and fiscal consolidation measures must be designed in a way that demonstrates that poor people may suffer more from spending cuts than from tax increases (OECD, 2014). Similarly the Social Protection Committee has called for a focus on policies that foster growth and facilitate the creation of more and better jobs and fight against poverty and social exclusion (2014).

For more than half a century a future of full employment and zero poverty has been held out as a viable outcome of the policies being followed. Social policy has been shaped and promoted on the basis that changes being implemented are more likely to produce these outcomes. It is time for the EU to recognise that the policies being followed are not fit for their purpose of delivering on such a future. The actions of the European Commission, the European Central Bank and the European Council of Ministers during the crash of 2008 and in the period since then show with great clarity that the future which has been consistently promised is not being delivered. Policy development over the past decade has been focused almost exclusively on securing economic goals while the social consequences of the actions taken have never played any major role in shaping ongoing

policy decision-making. The present model is broken. After more than half a century it is time to face that reality honestly. Alternatives need to be analysed and tested. The authors believe that Basic Income is one such alternative approach. It provides a core element of the new paradigm that is needed.

In Europe today economic priorities dominate social priorities. The dominant narrative and the policies coordinated from Europe and enshrined in Europe's new governance structures prioritise austerity approaches and suggest that more austerity is what is required - but the situation of vulnerable people in Europe is offensive from the perspective of social justice and social cohesion.

A more inclusive and sustainable approach requires that European leaders recognise that, on its own, focusing narrowly on austerity measures and structural reforms to reduce government borrowing and the debt/GDP ratio within a short time-span is failing in both economic and social terms and that a new strategy is urgently needed. A future socioeconomic strategy for the EU is required that not only is concerned with budgetary consolidation and the resolution of the debt crisis, but also with promoting social justice. Leadership at EU level in relation to vulnerable groups is critical to this and is increasingly proving critical to the democratic future of Europe.

What should guide society's understanding and development of such a future? In this paper, we now go on to argue that shaping a viable, sustainable future must start from an understanding of the common good. The common good underpins seven basic social rights we believe every person should be able to access in a sustainable manner throughout their lives.

## **e) The Common Good**

People have a right to freedom and personal development. These rights however are limited by the rights of other people. Reflecting on these interactions brings us to a reflection on the common good. This concept originated over 2000 years ago in the writings of Plato, Aristotle and Cicero. More recently, the philosopher John Rawls defined the common good as "certain general conditions that are in an appropriate sense equally to everyone's advantage" (Rawls 1971: 246).

More recently still Francois Flahault notes that

... the human state of nature is the social state that there has never been a human being who was not embedded, as it were, in a multiplicity this necessarily means that relational well-being is the primary form of common good. Just as air is the vital element for the survival of our bodies, coexistence is the element necessary for our existence as persons. The common good is the sum of all that which supports coexistence consequently the very existence of individuals.”

- Flahault 2011: 68

This understanding was also reflected at the international gathering of Catholic leaders at Vatican Council II. They saw the common good as

... the sum of those conditions of social life by which individuals, families and groups can achieve their own fulfilment in a relatively thorough and ready way.”

- Vatican Council II 1965: 74.

This understanding recognises the fact the person develops their potential in the context of society where the needs and rights of all members and groups are respected. The common good, then, consists primarily of having the social systems, institutions and environments on which all depend, work in a manner that benefits all people simultaneously and in solidarity.

Examples of particular common goods or parts of the common good includes an accessible and affordable public healthcare system an effective system of public safety and security, peace among the nations of the world, a just legal and political system, and unpolluted natural environment and a flourishing economic system. Put very succinctly,

... the common good is not about an accumulation of goods leading to a desirable state of affairs, but rather about creating the conditions in which the good of the individual and the collective may emerge.

- Kirwan, J., cited in F. McHugh (2008): 72

Jacques Maritain (1966) argued that human beings are by nature ordained to life in society, to life in relation to other persons; that the positive realisation and fulfilment of personality is achieved only through knowledge and love of other people. Human beings need other people, and the larger society, to thrive or even to exist at all. They have needs for material goods such as food and shelter; but they also need higher goods such as moral and intellectual education.

A similar view is expressed in a NESC study which states that

at a societal level, a belief in a 'common good' has been shown to contribute to the overall well-being of society. This requires a level of recognition of rights and responsibilities empathy with others and values of citizenship

- NESC 2009: 32

The structural arrangements regarding the ownership, use, accumulation and distribution of goods are disputed areas. However, it must be recognised that these arrangements have a major impact on how society is shaped and how it supports the well-being of each of its members in solidarity with others.

The concepts of the common good is a contested area. Some people fear that an emphasis on the common good will take the focus off human rights. A holistic approach sees human rights and the common good as mutually reinforcing; "the common good is chiefly guaranteed when personal rights and duties are maintained" (John XXIII 1963: 60).

Rights are not simply claims to pursue private interests or to be left alone. Rather, they are claims to share in the common good of civil society. Rights are social, economic, political and cultural conditions that make it possible for persons to participate in the life of the community - the person grows develops and is sustained through communal relationships (cf. Hollenbach 1989).

## **f) Sustainability and the Common Good**

The common good raises the issue of resources. The goods of the planet are for the use of all people - not just the present generation - they are also for the use of coming generations. The present generation must recognise it has a responsibility to ensure that it does not damage but rather enhances the goods of the planet that it passes on - be they economic, cultural, social or environmental.

The future to be worked for must be one in which it is recognised that economic development, social development and environmental protection are complementary and interdependent. Pollution and depletion of resources have thrown into doubt the reliance on untrammelled market forces as the key driver of wellbeing for everyone. The current approach is patently unsustainable and economic policy must be designed to prevent catastrophe.

A successful transition to sustainability requires a vision of a viable future societal model and also the ability to overcome obstacles such as vested economic interests, political power struggles and the lack of open social dialogue (Hämäläinen, 2013). There are several approaches to securing a sustainable economy, all involving transformative change (for example the 'performance economy' associated with Stahel and the 'circular economy' associated with Wijkman). Another is the concept of the 'Economy of the Common Good', based on the idea that economic success should be measured in terms of human needs, quality of life and the fulfilment of fundamental values (Felber 2010). This model proposes a new form of social and economic development based on human dignity, solidarity, sustainability, social justice and democratic co-determination and transparency and involving the concept of the common good balance sheet showing the extent to which an enterprise abides by values like human dignity, solidarity and economic sustainability.

All three pillars – economic, social and environmental - must be addressed in a balanced manner if development is to be sustainable and sustainability must be a criterion for all future public policies.

## **g) Seven core social rights for everyone**

Seven core social rights need to be part of any acceptable vision for the future of Europe. Every person in the EU should have a right to:

1. sufficient income to live with dignity,
2. meaningful work,
3. real participation,
4. appropriate accommodation;
5. relevant education,
6. essential healthcare,
7. cultural respect.

Recognition of these rights would go a long way towards addressing growing inequality and exclusion being experienced by so many across Europe. Social, economic and cultural rights be acknowledged and recognized just as civil and political rights have been. Even a cursory review of the present situation in light of the discussion set out above on the common good and sustainability would recognise the need for these seven core social rights to be secured for all. Likewise, a review of the present socio-economic situation in the European Union as set out earlier in this paper would have no alternative but to conclude that these rights were not available to large numbers of EU citizens. Consequently, a key challenge of the European Union and its legitimacy at this point concerns its ability or otherwise to deliver these seven core outcomes. It is within this context that the authors argue that a Basic Income approach would provide a far greater impact compared to the current models of welfare support, in terms of delivering these essential social rights to all in the EU. We now set out why the first three of these (income, work and participation) are so important.

### ***Work, Income and Participation***

The right to work, the right to income and the right to participation are closely linked.

#### ***The right to work<sup>4</sup>***

The right to work has been asserted and argued for by many philosophies and disciplines through the ages. Work was understood to be a means of

<sup>4</sup> For a more detailed discussion on work see Healy, S. and B. Reynolds, (1990) 'The future of Work: A Challenge to Society' in Reynolds, B and Healy s. Work, Unemployment and Job-Creation Policy : CORI Justice Commission

sustenance and of developing self and society. The preservation of life was understood to be a duty placed on all. It follows therefore that each one has a natural right to procure what is required in order to preserve life. The principal way many people can procure these needs is through their work. If every person has the right to work, then society has the obligation to structure itself in a way that makes work accessible to all. In popular discussion the 'right to work' is often equated with the 'right to employment'. However we rarely hear a discussion on where rests the corresponding obligation to provide 'employment' or 'work'.

We need to explore the meaning of work. In broad terms work could be understood, as any activity that contributes to the development of self, family, community or wider society. Through the ages the writings of some of the great teachers of philosophy, theology, sociology and economics help us to reflect on the ambivalence and ambiguity of attitudes towards work. In contemporary society a similar ambivalence exists. On the one hand, work is seen as important for the individual's self-concept, sense of fulfilment and integration with society. On the other hand work is tolerated as a means to an end: many people work not so much for the sake of the work itself but for the rewards that work brings.

Work provides an opportunity for the person to participate in the life of the society. It gives the person a sense of place and a sense of belonging. While contributing to the workplace the person also receives the benefits of the network of relationships surrounding the task in hand. Work has a major role in forming who we are and through it we discover our gifts and talents. While recognising that self-expression and human development are important aspects of work, we must also acknowledge that not all work is fully humanising. Work, which is routine monotonous and tightly supervised gives little scope for personal growth and initiative. This fact becomes very vivid when we think of the vast areas of work which although essential to the good ordering of the community are unpleasant and difficult. Because of the importance of work for personal development, society has an obligation to ensure that every person has an opportunity to do some work which is challenging and contributes to personal development.

It is through work that we develop our society and our world. The industrialisation process of the last few hundred years has had a major impact on how modern society views work. This has been a time of great

change in the history of the human family. Production became a major focus for society. Serving this production project came to be seen as the most important contribution a person could make to society. The understanding of work was gradually reduced to those activities, which served production. People were rewarded financially and socially for participating in this process. Gradually work was equated with the job for which there was financial reward.

### *The right to income*

The industrial revolution demanded that people, particularly men, leave farms and fishing villages and move into a central location to work in mines and factories. Large numbers of people were enticed and sometimes forced to forgo the security of their traditional livelihood to provide their own food and shelter. To compensate for this loss and insecurity wages were introduced. The early days of industrialisation were associated with heavy manual labour. Payment for this labour was in direct proportion to what was visibly produced. Society set itself the project of production so that a modest level of goods and services would be available to everyone. Wages were the incentive to increase production. Today, wages for the job are not determined by what is produced but rather by the technology used or the power of one's negotiating group. It is time to abandon the application of the crude industrial measurements of the late 18th century to work and income today.

Adequate income, meaningful work and real participation should be seen as a birth right. Our ancestors were hunters, gatherers and farmers and thus provided for their needs and the needs of their families. Each member of the family unit contributed to this subsistence project in a manner suited to their abilities. Each expected to receive an equitable portion of the goods available. Consecutive generations expected to live off the fruits of the earth. As we have noted the industrial and technological developments of the past 250 years have led to large scale urbanisation and globalisation. Today the dominant framework or paradigm concerning work, income and participation equates meaningful work with paid employment. It asserts that full time jobs are available for everyone seeking them, that these jobs will provide adequate income for people holding them and their 'dependants' and that good social insurance will be available for people who are sick or unemployed. This framework has not materialised for large numbers of people. They do not have access to meaningful work or adequate income nor are they likely to have such access in the foreseeable future.

A new paradigm is needed to reclaim the birth right of all people to a share in the goods of creation. Two of the pillars of this paradigm should be a) a definition of work that recognises all work and not just paid employment. b) A Basic Income which recognises the birth right of each person to a share of the goods available. The framing of this new paradigm should be in the context of an inclusive society where every person is valued and supported and where their contribution to society is welcomed.

### *The right to participation*

We have noted the importance of the social dimension of work in developing the networks of interrelationship in society. The person finds their place and sense of belonging through these networks. When people are denied the opportunity to work they are excluded from the possibility of being involved in these networks and become alienated from the mainstream of society. No healthy society can afford to exclude the gifts and talents of a section of its members from its development. This reflection raises questions about how we structure our societies so that everyone feels supported, that they belong and their contribution is valued. This requires appropriate participation structures.

People expect to be involved in the decision-making that affects them. A new paradigm should place a major focus on participation. Since all citizens have equal rights to participate we can expect disagreements. Society needs structures and protocols for managing these disagreements. Interesting work has been done by philosophers and sociologists on the issue of participation. Studying in particular the work of John Rawls and Jurgen Habermas it is possible to summarise the principles to guide a just process of decision-making as follows:

- All people affected by a decision are to have an equal right to take part in, and to determine the outcome of, the process that establishes the decision with which they are to comply.
- People have a right to disagree with and to oppose any proposal being made for decision.
- People should have a fair chance to add alternative proposals to the agenda for discussion.

- Steps must be taken to enhance the value of the equal right of participation of all those affected by a decision. For example, at a national level this applies especially where there is danger of an unfair advantage accruing to special interests e.g. the better off.
- For any decision-making process to be just those involved in the process should be prepared to articulate their real intentions and motives and should not prevent the true attitudes, feelings and needs of others from finding expression.
- In any decision-making process there should be scope to call into question any theoretical or practical claims; in other words there should be free access to the test of 'argumentation' (defined by John Baker as 'a reasoned defence of some belief').
- There should be access for all participants to all relevant information. This would involve the information being available, participants knowing that the information is available, adequate structures existing to disseminate the information and resources and skills being available to interpret the information.

Underlying all proposals and the decision-making processes is a vision of the future being developed. Critical to the process is the articulation of this vision. Such a vision should be articulated from the perspective of the common good and should be developed in the public forum where everyone is free to participate in its formulation. This vision should stimulate a debate and decision making processes which result in agreed structures that value and facilitate all types of work. An essential element of this paradigm would be the provision of an economic floor which would guarantee citizens a minimal essential standard of living, in other words a Universal Basic Income guarantee.

## **h) Universal Basic Income – A better pathway forward**

A Universal Basic Income (UBI) is a payment from the state to every resident on an individual basis, without any means test or work requirement. It would be sufficient to live a frugal but decent lifestyle without supplementary income from paid employment.<sup>5</sup>

Advocates of Basic Income usually point to one of two objectives they wish to achieve: the alleviation of poverty and/or the rejection of paid employment as the fundamental purpose of life. For centuries the promise has been that paid employment will produce meaningful work and adequate income for everybody on this planet. Obviously, this promise has never been delivered.

The growing interest in Basic Income across the world is being driven by several factors, some negative, some positive. Among the negative drivers is the growing fragility of the jobs market and the acceptance that there will never be sufficient jobs for those seeking them. Other negative drivers include the continuing failure of the welfare system to protect people against poverty and the ongoing exclusion of vulnerable people from having a voice in the decisions that impact on them. Among the positive drivers of interest in Basic Income is the recognition that as a system it could address all three of these negative drivers by providing sufficient income to enable people to live life with dignity; by enabling people to do meaningful work that is not paid employment and by supporting people as they seek to play a participative role in shaping the decisions that impact on them.

Lansley and Reed (2016) state:

Some critics view UBI supporters as utopian zealots for a new workless nirvana. Yet one of the central merits of a UBI is that it is non-prescriptive. It offers more choice between work, leisure (not idleness), and education, while providing greater opportunity for caring and community responsibilities. Under a UBI all lifestyle choices would be equally valued. It would value but not over-value work. A UBI would both acknowledge and provide financial support for the mass of unpaid work in childcare, care for the elderly, and voluntary help. By providing basic security it would offer workers more bargaining power in the labour market.

<sup>5</sup> For further information on Basic Income see Basic Income Ireland's website ([www.basicincomeireland.com](http://www.basicincomeireland.com)) or Basic Income Earth Network's website (<http://basicincome.org/>)

The current jobs, tax and welfare systems are producing a growing number of people who, despite having jobs find themselves in poverty - these are the 'working poor'. There is a growing failure to address poverty, indebtedness, dependency and insecurity. This situation is most likely to deteriorate in the coming years. A Universal Basic Income system would go a long way towards addressing the failure of the current systems. The authors of this chapter have written extensively for more than a quarter of a century on the value and need for a Universal Basic Income system (e.g. Healy & Reynolds: 1994, 1995). We will not expand on these in this paper.

## i) Ten populist objections to Basic Income

There are many objections to a Universal Basic Income system being introduced. Most of these, however, are populist in nature and do not stand up to much scrutiny. We address a number of them here in this summary manner.

1. Some people argue that Basic Income *would encourage idleness*. In reality a Universal Basic Income would offer greater flexibility in how people can secure a work-life balance for themselves. The capacity to do this is becoming more and more difficult in a world where work contracts are changing dramatically and there is a gradual casualisation of much of the labour force. Some people, might for example choose to work less, take longer breaks between jobs, develop new skills or be prepared to take the risk of starting a new business. Some might reject low paid, insecure work. This would produce a fairer rebalancing of wage structures. Some might retrain or devote more time to care work, personal development or community and environmental support; in many cases this could produce more value than paid work as these kinds of work would become more recognized.
2. Some people argue that a Universal Basic Income promotes the idea of *the end of work*. In fact this is not the case as a Universal Basic Income would help people to address the growing risks they face in a weakened labour market. Some estimates today suggest that it will be technically possible to automate between one quarter and one third of all current jobs in the Western world within 20 years. This at the very least will see an increase in precariousness of jobs and income for many people. It could lead to substantial increases in unemployment.

3. Some critics have claimed that the Basic Income system *is not affordable*. Chapter 2 in this publication, written by Malcolm Torrey, addresses the issue of feasibility in all its aspects. He has written much more extensively on this issue in his recent book on the topic (Torrey: 2016). Chapter 9 in this book sets out a fully-costed proposal for a Universal Basic Income in Ireland which is very affordable. Work previously done by *Social Justice Ireland* shows that a Basic Income system is viable in Ireland. This was verified by the government's Green Paper on Basic Income published in 2002<sup>6</sup>. The financial viability of a Universal Basic Income system depends to a great degree on the parameters that are set e.g. the level of the payments and which benefits if any they replace. But that is not the whole story. Practically all the evidence shows that the major share of productivity gains over the last three decades have gone to the very rich. Most recent evidence of this can be found in the Quantitative Easing initiative introduced by various countries and the European Central bank to deal with the consequences of the economic crash of 2008. A large proportion of this money also went to the richest not because they were more productive but because decisions were made to produce that outcome. There was no Quantitative Easing for ordinary people. Even a partial reversal of this regressive process would provide more than sufficient finance to fund a modest Universal Basic Income.
  
4. Some opponents of Basic Income argue it would mean *too large an increase in tax*. From the right there are claims that financing such schemes would crush the private sector and lead to a decline in labour supply and productivity due to the reduction in work incentives. From the left there are claims that a Universal Basic Income would weaken the struggle to improve people's working lives, that it would legitimise the idle rich and erode the gains that have been made by trade unions over a long period of time. Yanis Varoufakis (2016) argues that taxes cannot be a legitimate source of financing for a Universal Basic Income scheme. He points out that wealth has always been produced collectively but has then been privatised by those with the power to do so i.e. the propertied class. He points out that every smartphone is made up of components developed by some government grants, or through the Commons of pooled ideas for which no dividends have ever been paid to society. He

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<sup>6</sup> The full text of the Green Paper and related material may be accessed at:  
<https://www.socialjustice.ie/content/policy-issues/irish-governments-green-paper-basic-income>

goes on to argue that there is a strong case that the Commons have a right to a share of the capital stock, and associated dividends, reflecting society's investment in corporations' capital. He suggests that legislation be enacted to ensure a percentage of capital stock(shares) from every initial public offering(IPO) be channelled into a Commons Capital Depository with the associated dividends funding a Universal Basic Dividend. Such an approach could be independent of the welfare state and of the tax system.

5. Henning Meyer, editor of Social Europe Journal, has argued that a Basic Income *won't work in the EU* (Meyer: 2016). This is a variation on the broader populist argument against Basic Income that it would lead to major migration flows towards the countries that would introduce a large Basic Income. Meyer believes that EU citizens would migrate towards such a country in the EU. But in a Basic Income system conditions would apply to new migrants receiving these payments – these could probably be the same conditions as currently apply to migrants becoming eligible for social welfare payments once they arrive in a country. Such conditions apply both within the EU and beyond its borders.
6. In the same article Meyer set out another populist (but false) objection to the introduction of a Universal Basic Income. He is concerned that it *'would come with the abolition of the welfare state'*. This concern is based on some people in Silicon Valley arguing that Basic Income could be paid for by dismantling government-provided services. Such a development would not be acceptable to most advocates of Basic Income. This book contains a number of examples showing how a Basic Income could be paid for without dismantling government-provided services (cf. chapters 3, 4, 8 and 9).
7. Another argument against Basic Income presented by Meyer claims *that it doesn't solve the inequality issue*. If that were to be used as the test of whether or not a social policy initiative were acceptable, then much current social policy would fail this test. Inequality must be addressed and should always be on the policy agenda. However, Basic Income doesn't claim to solve the inequality challenge. It can certainly contribute towards addressing inequality, which Meyer acknowledges.

It will transform the situation when everyone has a decent floor under them.

8. A further populist argument that misrepresents this reality argues that Basic Income should be rejected because **everyone should 'earn' their living**. This argument ignores the fact that some people inherit wealth and live off it throughout their lives – but this isn't called into questions. Likewise it ignores the fact that some of the essentials one requires to live, such as air and daylight, are free. Much of the debate comes down to one's view of human nature. Is it good or evil? Those who believe human nature is fundamentally tilted towards evil fear that a Basic Income system would lead to a hedonistic and feckless society. This view is also shared by those who feel superior (or feel they have overcome those evil tendencies) but view the rest of society with suspicion. On the other hand those who believe that human nature is basically good welcome a Basic Income as a means of liberating people from the struggle for survival so that they can participate in and contribute to society.
9. Another populist argument against Basic Income argues that *it reduces the value of work to 'mere' income*. Earlier in this chapter, and elsewhere, we set out in some detail our views on the importance of work and how it is valuable in a range of ways that should be recognised and promoted (e.g. Healy and Reynolds, 1990). We went on to argue that everyone needs access to meaningful work as a core right. We stand by this understanding of work and believe that Basic Income would lead to a much broader and meaningful recognition of work while providing sufficient income to ensure people can access meaningful work that is not paid employment.
10. Finally, the argument is sometimes advanced that Basic Income leads to *an inefficient use of public resources* and the money it costs could be spent better on services. Those who hold this position are failing to recognise that the current situation demands a fundamentally different approach. The world is moving away on the one hand from the old social assistance model which was based on a notion of public charity and on the other hand moving away from the social insurance model based on worker solidarity which has been a cornerstone of social democracy. There is a need to recognise that a large proportion of real incomes today

are not the fruit of a workers' daily effort but rather come from a combination of the gifts of nature together with technological innovation, capital accumulation and institutional improvements. It also needs to be recognised that entitlements to real income are not confined to the present generation but accrue in the words of Philippe van Parijs, to "all members of society equally male and female irrespective of the extent of their participation in well protected full-time employment and in paid work generally". (van Parijs: 2016)

## **j) Conclusion**

For many decades, the European social model has been offering its citizens a future that it has obviously failed to deliver. Despite strong rhetoric to the contrary, economic issues, targets and outcomes are constantly prioritised over social issues. As a result, poverty, unemployment and social exclusion have been growing. It is time to recognise that current policy approaches are not working and that an alternative is required.

A Universal Basic Income system has the capacity to be the cornerstone of a new paradigm that would be simple and clear, that would support people, families and communities, that would have the capacity to adapt to rapid technological change in a fair manner, that would enable all people to develop their creativity and could do all of this in a sustainable manner.

The introduction of a Universal Basic Income system would be a radical step towards a desirable future where nobody would be excluded. It would also provide a practical solution to several of the major challenges faced by our societies today if they wish to ensure that every man, woman and child has sufficient income to live life with dignity, has access to meaningful work and can genuinely participate in shaping the world around them and the decisions that impact on them.

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