

TOPIC GUIDE: BASIC INCOME FOR ALL (GERMANY EDITION)

"UNIVERSAL BASIC INCOME IS NOT A SOLUTION TO OUR SOCIAL AND ECONOMIC PROBLEMS"**PUBLISHED: 18 JAN 2018****AUTHOR: SAM BURT**

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**INTRODUCTION**

In 2016, Swiss voters rejected proposals for a Universal Basic Income (UBI) in a referendum [Ref: [Financial Times](#)]. If passed, it would have seen all Swiss citizens receive a guaranteed yearly payment, regardless of their employment status. Parties opposed to UBI argued that it would damage the economy by removing people's motivation to work, and incentivise excessive immigration. A year later, Germany's basic income political party, Bündnis Grundeinkommen, featured on ballot papers for the federal election following high-profile protests in support of basic income over the previous five years [Ref: [BIEN](#)]. Nevertheless, UBI, touted as 'the dangerous idea of 2016', continues to attract support from across the political spectrum. It was in the UK Green Party's 2017 Manifesto [Ref: [Guardian](#)] and is championed by the Pirate Party in Germany [Ref: [Guardian](#)], but also by members of the libertarian Adam Smith Institute [Ref: [Adam Smith Institute](#)] and Silicon Valley entrepreneurs including Elon Musk and Mark Zuckerberg [Ref: [CNBC](#)]. For supporters on the left, UBI promises to shift power from employers to workers by removing people's dependency on work to earn a living. It has also been seen as a way of reducing income inequality, improving mental health [Ref: [Independent](#)], protecting the environment [Ref: [Dissent](#)], and strengthening community cohesion [Ref: [Huffington Post](#)]. Meanwhile, adherents on the free-market right see UBI as a way to strengthen, not replace, capitalism. Opponents of basic income are similarly politically diverse. Aside from the practicalities of implementation, the policy raises time-old political questions about the meaning of freedom, equality and community. To many of its critics, UBI is seen as a concession for the on-going erosion of working people's rights and conditions [Ref: [Guardian](#)]. Far from spreading wealth and opportunity, it would amount to 'writing off a large number of people as not relevant to our tech-centric economy' [Ref: [Technology Review](#)]. Central to this debate is whether UBI represents a solution to, or the continuation of, the many social and economic problems we face this century.

For further reading use the menu bar on the right hand side.

DEBATE IN CONTEXT

This section provides a summary of the key issues in the debate, set in the context of recent discussions and the competing positions that have been adopted.

The changing world of work

The idea of a 'basic income' isn't a new one, but it has been given new life by concerns that the increasing automation of work (the substitution of robots and artificial intelligence for human labour) points towards a future without secure, well-paid, rewarding work for all [Ref: [Guardian](#)]. However the extent to which automation is *removing* our need for human labour, rather than changing the types of skills that will be demanded of us, remains a hotly debated question. [Ref: [New York Times](#)] Some commentators see UBI as a means of placating middle-class unrest about the increasingly precarious status of higher-skilled professions. To critics like David H Freeman, it could be regarded as 'a way of buying these people off', removing any pressure on those in positions of responsibility to improve standards of education and training, and widen access to decent jobs for all. [Ref: [Technology Review](#)] No wonder UBI is popular among Silicon Valley elites, say critics; it would reconcile the 'precariat' (those without reliable incomes) to a future of insecure, short-term work and 'disconnect large swathes of our population from the positive aspects of working for a living.' Others still see in UBI the potential for a radical transformation of labour relations in general. Indeed, for philosopher Philippe Van Parijs, it represents nothing less than a peaceful revolution - 'a capitalist road to communism' [Ref: [Boston Review](#)]. Yet concerns remain about whether we are technologically prepared for people choosing to withdraw their labour from unpleasant or tedious but socially necessary jobs. So should we regard UBI as a deceptively simple policy that diverts us from more readily available solutions to our problems? Or is its impracticality within the limits of contemporary society actually part of its appeal?

Freedom from work or freedom to work?

Those opposed to UBI accuse its advocates of 'silver-bulldozing', presenting it as an almost utopian remedy to a range of social and economic ills [Ref: [New Statesman](#)]. UBI, on this view, is symptomatic of a technical approach to what are fundamentally political problems related to work, inequality and power. For critics like the economist John Kay, 'basic income is a distraction from sensible, necessary and feasible welfare reforms' [Ref: [Intereconomics](#)]. Against this view, UBI is advocated as part of a radical agenda for 'a broader anti-work politics' [Ref: [Dissent](#)] leading to 'a society that is premised on less work' [Ref: [IPPR](#)]. One of the key questions in the debate about basic income is what people will choose to do with the new freedom given them. For Michael Bohmeyer, basic income would free people from the economic necessity of work, empowering them 'to say "no", and to ask the question: how do I really want to live?' [Ref: [New Statesman](#)] By contrast, former British MP Jon Cruddas sees the idea of UBI as embodying a defeatist attitude about working-class struggles for better working conditions: 'It imports a sort of passive citizenship with no sense of contribution. It doesn't contest the sphere of production, and it just retreats into a hyper-consumption' [Ref: [BBC](#)]. Furthermore the idea of the state making identical payments to everyone, from cleaners to billionaires, is considered morally unacceptable by many. Not only does universality seem intuitively unfair, UBI would also mark a significant change in the relationship of the state to its citizens. The modern welfare state was originally conceived as a 'safety net' on which people could rely on in emergencies but whose support most people, most of the time, would not depend. With UBI, however, this will change: 'Rather than there existing pockets of state dependency, all of us will become dependent.' Added to this is 'the worrying potential for a basic income to be used to enforce a change in people's spending habits and lifestyle.' [Ref: [Independent](#)] Would UBI transfer power downwards – from the state to the citizen – or the reverse? What does the growing popularity of UBI say about society's attitudes to work today?

Unknown territory?

Although no country to date has implemented UBI at a national level, it has been trialled on a smaller scale in countries including India [Ref: [Independent](#)], Canada [Ref: [Quartz](#)], Finland [Ref: [Wired](#)], Kenya [Ref: [New York Times](#)], and the USA. [Ref: [Jacobin](#)] Supporters of UBI point to these trials as evidence of the scheme's effectiveness. Critics contend that the relatively short time-frame and small-scale of such experiments render them of limited use in predicting the likely effects of UBI proper [Ref: [New York Times](#)]. For instance, in none of these trials has basic income been paid to people already securely employed. For Daniel Ben-Ami, these experiments do not prove whether large numbers of people might decide to work less, in which case, without real improvements in productivity, UBI might amount to 'a savage cut in living standards' [Ref: [spiked](#)].

Costs and benefits

Opponents of UBI believe it would be imprudent to invest our hopes in a policy surrounded by so many unanswered questions. Firstly, who will pay for it? Proposals for UBI vary in the generosity of their individual payments. Commentators sympathetic to UBI emphasise its likely lower administrative costs, as it would streamline a complex array of welfare benefits into a single payment. UBI is seen as an efficient alternative to what many regard as overly bureaucratic and expensive welfare states throughout the developed world. Some German commentators, such as Götz Werner and Adrienne Goehler, see UBI as a welcome alternative to the tedious and behaviour-management regime of the incumbent welfare system, Hartz IV [Ref: [spiked](#)]. Since UBI is paid to employed and unemployed alike, it theoretically eliminates the so-called 'poverty trap' whereby individuals are deterred from working for fear of having their benefits withdrawn. [Ref: [iNews](#)] Sceptics, on the other hand, point out that there will still be individuals with greater need under UBI. If basic income is tied to need, then it might be more expensive overall; if everyone is to be paid the same, then inequality may widen under UBI. [Ref: [Times](#)] Countering these pessimistic forecasts, supporters claim that it will enable lower earners to invest in their skills and re-training, just as middle-class workers do currently, thus boosting economic growth and productivity in the long run. Moreover, any cost-benefit analysis must take into account potential savings as a result of reduced crime and other social ills for which UBI has been proposed a solution [Ref: [Compass](#)]. So would UBI help us all prepare for the next wave of technological change? Or would it force us once more to choose between equality and economic growth?

ESSENTIAL READING

It is crucial for debaters to have read the articles in this section, which provide essential information and arguments for and against the debate motion. Students will be expected to have additional evidence and examples derived from independent research, but they can expect to be criticised if they lack a basic familiarity with the issues raised in the essential reading.

FOR

Basic income is the latest bad political idea that refuses to die [↗](#)

John Rentoul *Independent* 2 January 2017

Why a basic income won't work [↗](#)

Matthew Lynn *Money Week* 11 June 2016

Universal basic income won't make America great again, either [↗](#)

Michael R Strain *Washington Post* 4 April 2016

Basic income, low aspiration [↗](#)

Johannes Richardt *spiked* 28 January 2011

AGAINST

The case for a universal basic income [↗](#)

Sebastian Johnson *Los Angeles Times* 29 June 2017

Why we should all have a basic income [↗](#)

Scott Santens *World Economic Forum* 15 January 2017

Universal basic income is becoming an urgent necessity [↗](#)

Guy Standing *Guardian* 12 January 2017

How I learnt to stop worrying and love Basic Income [↗](#)

Jonathan Reynolds *New Statesman* 17 February 2016

IN DEPTH

The false promise of Universal Basic Income [↗](#)

Alyssa Batistoni *Dissent* April 2017

Universal basic income: Money for nothing [↗](#)

John Thornhill and Ralph Atkins *Financial Times* 26 May 2016

Creative Citizen, Creative State [↗](#)

Anthony Painter and Chris Thounng *RSA* December 2015

KEY TERMS

Definitions of key concepts that are crucial for understanding the topic. Students should be familiar with these terms and the different ways in which they are used and interpreted and should be prepared to explain their significance.

About basic income [↗](#)

Basic Income Earth Network

BACKGROUNDERS

Useful websites and materials that provide a good starting point for research.

Could Labour implement Universal Basic Income? [↗](#)

Rudy Schulkind *New Statesman* 24 July 2017

Free money for everyone [↗](#)

John Harris *New Statesman* 21 July 2017

Getting to the heart of universal basic income [↗](#)

Conrad Shaw *OpenDemocracy* 7 June 2017

Germany: Basic Income Party on Ballot in State Election [↗](#)

Kate McFarland *BIEN* 29 January 2017

What if the state provided everyone with a basic income? [↗](#)

Simon Copland *BBC Future* 18 January 2017

Universal Basic Income: The dangerous idea of 2016 [↗](#)

Gigi Foster *ABC News* 27 December 2016

A universal basic mistake [↗](#)

Jon Cruddas and Tom Kibasi *Prospect* 18 June 2016

Basic Income: A sellout of the American Dream [↗](#)

David H Freeman *MIT Technology Review* 13 June 2016

Could an income for all provide the ultimate safety net? [↗](#)

Tim Harford *The Undercover Economist* 3 May 2016

The Danger of the Universal Basic Income [↗](#)

David Rotman *MIT Technology Review* 11 March 2016

A future without jobs? Two views of the changing work force [↗](#)

Eduardo Porter and Farhad Manjoo *New York Times* 8 March 2016

The future isn't working [↗](#)

Nick Srnicek and Alex Williams *IPPR* 18 December 2015

The best and simplest way to fight global poverty [↗](#)

Matthew Yglesias *Slate* 29 May 2013

ORGANISATIONS

Links to organisations, campaign groups and official bodies who are referenced within the Topic Guide or which will be of use in providing additional research information.

Basic Income Earth Network (BIEN) [↗](#)

RSA Basic Income [↗](#)

World Basic Income [↗](#)

IN THE NEWS

Relevant recent news stories from a variety of sources, which ensure students have an up to date awareness of the state of the debate.

Alaska gives residents free cash handouts - here's what Mark Zuckerberg thinks everyone can learn from [↗](#)

CNBC 5 July 2017

Universal basic income would fail to cut poverty, says OECD [↗](#)

Financial Times 28 May 2017

Finland's Universal Basic Income trial for unemployed reduces stress levels, say officials [↗](#)

Independent 8 May 2017

Universal basic income 'useless', says Finland's biggest union [↗](#)

Independent 9 February 2017

Universal basic income 'worrying and expensive' [↗](#)

BBC Wales 29 January 2017

Scottish government 'interested' in universal basic income [↗](#)

BBC News 26 January 2017

Trial for a basic income for all may go ahead in Scotland [↗](#)

The National 23 November 2016

Is the left's big new idea a 'right to be lazy'? [↗](#)

Sonia Sadha *Analysis*, BBC Radio 4 15 July 2016

The Netherlands' upcoming money-for-nothing experiment [↗](#)

Atlantic 21 June 2016

What if we just gave poor people a basic income for life? That's what we're about to test [↗](#)

Slate 14 June 2016

Switzerland's voters reject basic income plan [↗](#)

BBC News 5 June 2016

Think tank floats 'basic income' idea for all citizens [↗](#)

BBC News 16 December 2015

Basic Income: Transforming lives in rural India [↗](#)

Stuart Weir *OpenDemocracy* 20 June 2014

The Pirate Party fits the political gap [↗](#)

Juli Zeh *Guardian* 18 May 2012

AUDIO/VISUAL

The Universal Basic Income is the safety net of the future [🔗](#)

Intelligence Squared 27 March 2017

Money for Everyone: The State of the Basic Income Debate [🔗](#)

University of Bath 11 October 2016

Robert Reich makes the case for a universal basic income [🔗](#)

Daily Kos 29 September 2016

Money for Nothing

BBC Radio 4, Analysis 17 July 2016

Is the world ready for a guaranteed basic income? [🔗](#)

Freakonomics 13 April 2016

Why we should give everyone a basic income [🔗](#)

TED 21 October 2014

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