

The Case for a Substantive Universal Basic Income  
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A substantive and non-neoliberal Universal Basic Income (UBI) could substantially improve people's lives, is feasible and possible and can be a step towards a revolutionary transformation of a society towards participatory socialism. There is no conflict with related proposals for Universal Basic Services, a UBS, or with a Guaranteed Jobs Program. A UBI is expensive although it is economically feasible within a capitalist society such as the U.S. although it will require major taxes on the wealthy.

By UBI, I am referring to a policy where every resident of a society is guaranteed an income sufficient to meet basic needs. This includes immigrants, documented and undocumented, and those incarcerated.

I will focus on U.S. although important to conceptualize globally.

There are broadly two versions of the UBI: a non-reformist proposal as opposed to neoliberal version.

1. The non-reformist, or radical reform, UBI.

Everyone has an income above the poverty line to meet basic needs. The poverty line is too low to meet basic needs, but I am advocating for a UBI in addition to free or affordable social programs.

An example of non-reformist proposal, although not fully elaborated is that of U.S Congresswoman, Ilhan Omar, the Support Act. She introduced it to Congress in 2021, and it's supposed to go into effect, if passed in 2028. It provides an income of \$1200 per adult per month, and \$600 per month for those under 18 years old. A family of one adult and two kids would receive, \$2400 a month or \$28,800 a year in cash.

In Ilhan Omar's proposal, there is a gradual income cut-off, where the top 5% of the income distribution would not be eligible. I would prefer no income cut-off but instead high taxes on wealthy people so that these new taxes, their additional tax payments would be substantially higher than what they receive in the UBI. A program that is universal such as Social Security and Medicare may be easier to win and maintain support for than one that is means tested.

In addition, the UBI would be adjusted upwards for inflation every year. If prices went up by 5% in the first year, the UBI for an adult would go up by 5% of \$1200 to \$1260 a month, the following year.

In this more radical and substantive version of the UBI, which public programs would continue in addition to the UBI?

To decide, I propose the following principle. Basic public services which should be universal and free and also special needs would continue--they should continue to be publicly financed in addition to a UBI. Also, social insurance programs should continue.

Childcare or childcare credits, health care, elder and disability care, Social Security, public housing and housing subsidies such as section 8, scholarships for college and/or free tuition, Pell Grants, Unemployment Insurance--all of these would continue and hopefully be improved over time

Various cash grants or near cash grants that exist for low-income people and are inadequate could end because of the higher level of income provided by the adequate Universal Basic Income. So Temporary Aid to Needy Families (TANF), the Earned Income Tax Credit (EITC), Food Stamps could be eliminated as they would be more than covered by UBI

What about SSI (Social Security Disability)? --as long as we don't have extensive and inclusive and free health care, SSI should continue, especially because of the limitations of most disabled people to work full-time for wages.

## 2. A reformist, neoliberal UBI

Going back to Milton Friedman's, negative income tax proposal from over 60 years ago, many of the proposals such as Andrew Yang's and many of the Silicon Valley corporate sponsored plans, propose UBI as a substitute for social programs rather than proposals such as mine and the Support Act which sees UBI in addition to many of the needed social programs such as childcare and eldercare, education, accessible housing and health care. UBI proposals that replace needed social programs should not be supported.

### Non-Reformist Reforms!

Non-reformist reforms, sometimes called radical reforms, are ones that improve people's lives, cannot be fully achieved in a capitalist society, build social consciousness and people's and organizational capacity to make further demands. See Andre Gorz, *Strategy for Labor*, on this concept.

A non-reformist UBI type program also has a long history, e.g., the guaranteed income demands of the National Welfare Rights Organization in the 1960's for \$6500 for a family of four, which is equivalent to over \$50,000 using today's prices. Martin Luther King's, 1968, Poor People's Campaign also demanded an above poverty line guaranteed income.

### Strengths and a Few Limitations of the non-reformist, radical-reform, UBI

#### End Poverty, The Right Not to be Poor!

A human right is to have one's basic needs met. The amount proposed, \$1200 per month for adults, and \$600 for minors, means a family of two adults and two children would receive, \$43,200 per year, well below the median income but with the continuation and expansion of social programs such as healthcare would mean an income above the poverty line for all, a significant achievement. Hunger and food insecurity, a sad reality for over 30 million people in the United States would end.

The inequality of income would be significantly reduced. The gross cost of this program would be about 20% of GDP. If the taxes to finance this major program came from higher income people, the income of the poorer ½ of the population, those below the median income, would approximately double their income, and their share of income.

#### Waged work!

For the UBI, unlike many current social welfare programs, there is no work requirement. Because the income one receives is still low, \$14,400 for a single person 18 and over, most people will still want to work. With a UBI, one's income increases as people work, as they still receive the UBI.

Wages for low wage jobs, especially, will increase.

The major determinant of wages in a capitalist society is the relative bargaining powers of workers vis a vis their employers. The bargaining power of workers are increased when they are better organized, when they have alternatives to wage labor such as a UBI, when unemployment decreases, when demand for their labor increases relative to their supply, and if their skills are in demand. With a UBI, such as we have been discussing, workers will still have the income to survive if they do not find a somewhat desirable job. This will force employers to raise wages and improve working conditions to attract workers in low paying and poor jobs.

In addition, if some employees withdraw from seeking employment because of the UBI, this will reduce the supply of workers, which will also cause employers to raise wages.

Like the recent increase of unemployment benefits and stimulus payments during the ongoing Covid-19 pandemic, the UBI will give the unemployed, income so they do not have to take the first job offered to them and be able to search for better jobs. In many low-wage jobs in fall, 2021, there are unfilled job openings as workers are not returning to low wage and alienating and unsafe jobs and are seeking to change the type of work, they do or to improve the pay and conditions in the jobs they had. The UBI would provide a similar fall back.

Similarly, the UBI will increase worker's ability to demand and win better work conditions, less dangerous and healthier work, and less speed up as they have the fall back of the UBI, if the employers don't improve the quality of work. Power of workers, at least individually, is increased.

The UBI is a radical or non-reformist reform because it will decrease the power of employers over workers because the fear of being unemployed is reduced with this guaranteed income.

A limitation of the Universal Basic Income is that while it builds the bargaining power of workers to improve their work situation, it does not directly build the collective power or power of workers as a class. As I will mention later on, it does this indirectly, as it give workers as a class more ability to strike and more time to build organization.

Much of the research on the UBI estimates what happens to employment after a UBI is given to some households, e.g., comparing in a locality, the labor participation of those who got the UBI to those who didn't, or comparing the employment of individuals after receiving this additional income to before receiving it. The empirical result, which is seen as positive and in support of the UBI, is that employment increased slightly for those receiving the UBI.

To me, this question of whether receiving the UBI increases labor force participation is the wrong question to ask if we are trying to measure the value and worthiness of a UBI. If people work less hours or do not work after receiving the UBI, it is likely their economic well-being, their happiness has increased. They may now prefer not to work unless their pay and work conditions improve, nothing wrong with that.

#### Meaningful work!

A few years ago, I was doing a workshop on the UBI to a group of artists. Most had low wage jobs so they could support their passion for poetry, music, creative writing, etc. Most of this group said they would quit their low wage job which they universally disliked to becoming full time artists if there was a UBI. People would have more opportunity to do what they like to do.

#### Volunteer work!

Volunteer work in social justice organizations and in organizing and in activism would become more possible with a UBI above the poverty line. Organizations would become less dependent on rich funders if more of the work could be done by volunteers who are receiving a UBI. The more generous welfare state of the late 1960's and 1970's than today made it easier for activists to survive and organizations to rely less on paid staff for work that needed to be done. The UBI would make it possible for workers to work less hours, to work one rather than two jobs, leaving more time for volunteer work, rest and recreation, and building community.

#### Household Labor, Reproductive Labor, Wages for Housework!

The UBI will make it easier for women **to leave abusive relationships** as they will still receive a UBI. There are some similarities to the movement that began in Italy in the 1970's, Wages for Housework. The UBI would give an income to non-wage labor done in the home. This would increase women's power to demand household labor be evenly distributed among household members. It would make it more possible to leave situations where partners refuse to do their share of the housework because of the basic income these women and others who do most of the housework would continue to receive.

#### Racial justice, equity!

Although everyone receives a UBI, because of progressive taxes proposed to finance the UBI, see my next point, the net benefit, (UBI - increased taxes), will all go to the lower 80% of the income distribution, and most of it to those who make less than the median income. Because of continued racism in the United States, Blacks, Latinx and American Indians are disproportionately overrepresented in this part of the income distribution and therefore will benefit greatly, more than their proportion in the population.

Moreover, this proposal for an inclusive UBI includes all immigrants. Immigrants today are mainly people of color. Similarly, it would include prisoners and ex-prisoners, 2/3 of whom are Black, Latinx, Native American, Asian and Pacific Islander. It would significantly help inmates when they are released to have

some savings from the UBI they received when they were incarcerated and an income, upon release, when they are searching for work. It would also increase the possibility of furthering education or entering a training program.

Let me emphasize that I am examining a UBI that provides an income above the poverty line, that is in addition to and not a substitute for needed social programs. Health care, childcare, housing and education should also be expanded. This proposal includes the entire population including immigrants and the incarcerated. Many of the strengths of this non-reformist, UBI, do not apply to what I am calling a neoliberal UBI, one that would replace many or most of the social programs we have.

This proposed UBI is expensive but economically feasible. The question is can we develop the power from below to substantially change the unjust income distribution in the United States and other countries organizing for a UBI.

#### Financing the UBI and Inflation!

A UBI is costly, it would be a vast expenditure. If we get rid of the cash programs, I mentioned but also include a housing subsidy for high housing cost cities, the total cost of this program is about 4 trillion dollars, annually, 20% of GDP. Substantial decreases in military spending could pay part of this cost but unless we increase deficit spending, most of the UBI must be financed by higher taxes. If this program is to be truly redistributive, we need a highly progressive tax on income and on wealth to finance it. If we include capital gains and other forms of property income, the top 1% has about 20% of national income, the top 10% has 50% of national income and the top 40% has about 80% of national income. So, an additional tax that began at 10% of income above the median income to a surtax on 40% on the highest income of the top 1% could pay for this UBI. **Equivalently a progressive tax on wealth** or a combination of income and wealth tax could raise the required financing. A progressive tax is one that the higher one's income, the higher one's proportion of income one pays in taxes, not just that wealthier people pay higher taxes but that they pay a higher share of their income in taxes.

Even with a UBI that costs 20% of GDP and is financed by taxes on high income people and primarily by the richest 5%, the total U.S. tax burden would still be lower than the Scandinavian countries as a percent of national income. Still a substantive UBI would be a major expenditure and it may be easier to win less costly radical reforms.

Inflation--If financed by higher taxes on high income people, the direct inflationary effect is likely to be small. If aggregate demand increases because of the more equal distribution of income, fiscal and monetary policy can be used to reduce inflationary pressures.

This UBI is economically possible but the resistance by high income people will be intense.

#### Winning the UBI!

We will not win this type of Universal Basic Income program in the immediate future. A feasible and good idea is not sufficient to make it happen. It will take a long-run campaign. We need to first do popular education to explain it, that builds on the philosophy that it is a basic right for each human being to have their basic needs met. The UBI is the embodiment of the value that income doesn't have to be tied to making profits for somebody else and wage labor. We also need to gain popular support for the idea that taxes are not necessarily bad or good; it depends on what they are spent on and who pays them, are they progressive?

We are not starting from scratch. There is increasing interest in a Universal Basic Income in the population and in some socialist groups in the U.S. like the Democratic Socialists of America (DSA). The Covid-19 pandemic increased the legitimacy of a guaranteed income for all. A successful movement for the Universal Basic Income would have to connect directly and become part of the program with social movements. For example, it should connect to issues of anti-racism and women's equality as poverty disproportionately affects women; and connect with Latinx, Native American, and Black people's social movements. The UBI would disproportionately benefit people of color, and women of all racial groups.

Building support for the UBI, from community groups is essential. Hopefully more and more labor unions will support the UBI as it would make strikes more possible as striking workers could use the UBI as a strike fund. Explaining the UBI in the alternate and social media and organizing to get good coverage of it in the mainstream media is important. Doing popular education and debating the Universal Basic Income is a first step. There are no shortcuts for winning a substantive UBI.

It is possible to win a UBI as an experiment, although probably at a lower income level, first in certain communities and then having the UBI in a few cities or in a State like California. It is already happening as experiments in Stockton and Los Angeles. In developing a campaign for the UBI, it could happen first in some cities, and then some States, leading to a growing national discussion and campaign for a national UBI. This was the process that single payer health care as a national policy, happened in Canada.

The financing of a substantial UBI payment will be difficult on a less than national level because taxes on high-income people would increase significantly to pay for it and the high-income and wealthy would threaten to and might move if their local or State taxes increased substantially to fund the Universal Basic Income. UBI should be one part of an anti-capitalist program and strategy as it puts forward in part, the principle that income should be determined by need.

There is also growing interest by several corporate leaders, e.g., in Silicon Valley, for it. This is important and positive. However, we need to organize a campaign and coalition for a non-reformist UBI, not a version that further guts social programs or provides an income below the poverty line. The radical version of the UBI, others and I want and propose, would not replace most social programs but be in addition to them.

The argument in favor of a moderate beginning UBI is that it would be a step toward the kind of program, others and I are proposing. If the limited version of the UBI was the goal and endpoint, it would be a reformist reform. But although it may be better than what we have now, it would be totally inadequate, and it wouldn't end or substantially reduce poverty. This is especially true if it ended programs such as WIC, unemployment insurance, reduced or free school lunches, etc., which has been proposed. So, the details of the UBI, what kind, really matter. We should advocate and organize for a Universal Basic Income like the one I have been explaining although it may happen in stages.

#### Universal Basic Services!

Sometimes proposed as an alternative to the UBI, is the idea of Universal Basic Services (UBS). The UBS fits well into a major theme of the recently completed conference, Global Forum for Democratizing Work, of decommodification. The idea of UBS is that basic services are taken out of the market, they are decommodified and financed out of general revenues rather than paid for by individuals. Usually included as basic services are health care, education, childcare and elder care, public transportation, and internet connectivity. I would also include food and housing although they are not always included. These universal basic services could be produced by some level of the government or by non-profits, by cooperatives and in a few cases, regulated for profit businesses. Although there has been less discussion of Universal Basic Services (UBS), its focus on universality, decommodification and reproductive and caring labor is very promising.

To me, the UBS and UBI are complementary, they fit together well. Both meet human needs and some combination of the two can be major steps towards a participatory socialist alternative to capitalism.