

Ep. 9 | UBI and the World of Work

Jo Sharpe: Welcome to the Social Protection Podcast. I'm your host, Jo Sharpe. We're kicking off the new year with a radical proposal for extending social protections. The universal basic income or UBI. The concept is simple a UBI is a regular benefit provided in cash without conditions to everyone.

This is such a big topic we've divided it into two episodes. In this episode, we'll look at the UBI and the world of work. Fears around automation and the changing nature of work, fuel popular and policy interest in the UBI. But the prevailing narrative that welfare makes people lazy and less inclined to work. Maybe one of the biggest obstacles to overcome if a UBI is ever to be achieved.

We'll unpack the evidence around whether a UBI could change the way we value work and what that could mean for gender equality and workers' bargaining power. We'll also look at how arguments for and against the UBI play out across the political spectrum. Then in next month's episode, we'll look at how a UBI could fit more broadly into social protection systems asking whether it would be a major disruption or just another plank in the social protection floor.

In both episodes. I'm speaking with [Francesca Bastagli](#) and [Dr. Jurgen De Wispelaere](#).

Francesca Bastagli is director of the equity and social policy program, and principal research fellow at ODI. Amongst many topics, her recent research includes adapting social protection to the future of work and employment. She was also the host of our special series with ODI on this podcast last year, which asked whether COVID-19 marked a turning point for social protection.

Dr. Jurgen De Wispelaere is assistant professor at the Stockholm School of Economics in Riga and adjunct professor in the philosophy of social policy at Tampere University. He is a leading expert on the politics of basic income and found in co editor of basic income studies and interdisciplinary journal of basic income research.

Francesca Bastagli: Hi, Jo, thank you.

Jurgen De Wispelaere: Thanks Jo.

Jo Sharpe: Francesca, can I start with you to set us up for this discussion? What are the key trends that UBI advocates are responding to and how is a universal basic income seen as the solution?

Francesca Bastagli: But one of the reasons why we see a renewed interest in universal basic income, and this is even prior to COVID-19, is a sense that the economy and social protection and wider fiscal policies aren't delivering for parts of the population. We're seeing persistent or growing inequalities within countries across many dimensions.

And the sense that existing policies that are meant to address these, including cash transfer programmes, while they may be effective, in many cases, continue to be exclusionary, to not deliver to their full potential and to, in some cases, even possibly reinforce inequalities. So if you take the world of work, recent trends are expected to further exacerbate some of the gaps we're seeing through the rise in non-standard employment and work insecurity, high informality, the threat of job losses through automation.

And equally, if you take longstanding inequalities, like those associated with the undervaluation of certain types of work, such as care work, and it's an equal distribution between men and women, these are really shining a spotlight on social protection gaps and limitations.

These policy shortcomings arise from policy design and implementation, but also from how policies in practice interact with existing inequalities in the world of work. For example, exclusion arises from the persistent assumption underpinning policy that workers aren't or are moving towards full-time standard employment.

This is still the case in many social insurance schemes. And by the way, women who are more likely to work in part-time work and to follow interrupted work patterns are especially at risk of exclusion from these sorts of schemes. These are just examples of the sorts of issues and concerns that have over the years and increasing the led to growing questions around the practices of narrow means testing, strict conditionalities or behavior requirements in welfare provision and in cash transfers.

Jo Sharpe: Jurgen for a long time, a universal basic income seems like very much a hypothetical concept.

Why do you think it's gaining such momentum now?

Jurgen De Wispelaere: When you actually think about the sort of problems that basic income is meant to be good at addressing, these are actually old problems. We're talking about things like poverty, economic inequality, social inequality, in a broader sense, including very important, the gender inequality. Even all the stuff around artificial intelligence, this is not the first time around that we're talking about technological unemployment, for example, right?

These are things that have happened before. So in my view, at least one of the things that really has been very instrumental in capturing the imagination is the fact that we actually ended up having some concrete events.

And then from there you kind of had a boom of interest, media interest, public interest, policy interest and even politicians at some point start paying attention. So one of the things that happened, for example, 2016, we had the Swiss referendum and one of the interesting things about this Swiss referendum, of course, it never got fully supported, but the campaign itself it was a major media attraction. Then we did have these pilots and experiments happening. For me, one of the most important aspects of all of these experiments, whether the Sweden, Netherlands, Barcelona, even the ones that got cancelled like Ontario in Canada, is that we

suddenly have something happening on the ground that gives us news and something to talk about.

So suddenly it's not hypothetical anymore. So that's a really important part of what is going on, but when we're talking about the problems, this is really about seeing this can come as a solution to the same old problems that we have been struggling with for decades. And we keep struggling with.

Jo Sharpe: As you've just touched on Francesca, the changing nature of work is certainly invoked in the UBI debate, but the UBI itself presents real challenges to our fundamental ideas about the importance of work to societies and individuals and how work should be linked to protections.

There's this fundamental aversion to the idea of somebody receiving payments like a UBI without contributing quote-unquote, productively to society. So would a UBI lead as some fear to more people opting out of work? And what would the consequences of that be?

Francesca Bastagli: I think one of the really positive things about this renewed interest in the UBI is that it questions the prevailing concept of work in terms of paid work and motivations for work in terms of financial incentives.

So as you say, debates on cash transfers and income support schemes have tended to focus on concerns about the participation in paid work. There is a concern that income support schemes can generate incentives for people to work less. One of the reasons why we might see this is if a cash transfer is targeted or means-tested to people on the basis of income or assets is that this might generate an incentive for people to maintain low incomes.

So on this in principle, a UBI would not generate the type of incentive because it's paid universally to everyone, it would weaken the concern that people might reduce their participation in paid work. They don't need to maintain the incomes. Others argue that it would lead a higher number of people to work less or to participate less in paid work, precisely because there's no conditionality attached.

There's a growing body of evidence that indicates that this is frankly, not a concern. We don't see mass reductions in participation in paid work, whether link to UBI or indeed other types of quasi UBI, minimum income schemes. And there are various reasons for this. One of the reasons that we see an absence sort of clear negative effect in participation in paid work is discussed in terms of the levels of the transfer.

Another has to do with the fact that participation in paid work might actually increase in association with receipt of a transfer because it enables people to tackle barriers such as the costs associated with travel or care of family members.

So all of this, to say that in aggregate terms, the evidence indicates that there's no reason really, for concern of the mass aggregate reduction in participation in paid employment. There are, however, some variations by population subgroups. There's some evidence for instance

of people working less among older persons, among women with care responsibilities, particularly when they are sort of secondary earners in a couple or indeed a viulth.

But often, and in fact, generally, these are associated with people dedicating more time to other types of work. This is a shift, a shift in how time is spent and what work is being undertaken. A shift towards more time spent on other types of activities that are a value to individuals and possibly widely to society.

So I think a key point here comes back to how we define work, how we value it and how we define productivity. It really depends on what are we talking about once we consider that work includes work that is unpaid or that is low paid, but that is of critical value to society. Then actually, any reduction in participation in paid work might be equally valuable just that it's not in monetary terms.

Jurgen De Wispelaere: One of the really, really interesting features of basic income is that it's meant to support you in work. And it's meant to support you out of work. Basic income does not disappear when you move into a job or when you move from say part-time to full-time and so on and so forth. People always look at this one side of the thing, they always think of, oh my God, we have these people who get money for nothing, and they're all gonna leave work, but actually this can come as much as anything else.

It's actually also helping people to get into work, working more, changing work, basically changing careers, which may have all sorts of very beneficial effects. And on top of that is then this big issue. And this has always been a very central idea in the basic income discussion that, work isn't the be-all and end-all, we are talking about social participation.

We're talking about social contribution in a broader sense. Now, a lot of social protection systems effectively prevent you from doing that often. It's like you're either working or you're sitting at home trying to get work. You're so focused on trying to get word that you're not allowed to do anything else.

You're literally often not allowed to do anything else. Basic income takes a fairly, very different view here. It basically says, look, the opposite of people love being in work. It's not that they're lazy. And sitting on the couch and being Homer Simpson all day. That's this sort of scary image that everyone else has.

Everyone has this idea that the moment we introduced basic income, we're creating a society of Homer Simpsons. There's always going to be some Homer Simpsons around. So in any policy, we all know that, but basic income is not doing that. But basic income is meant to be doing is supporting all these other activities at the same time as well. Both acknowledging and actively supporting all sorts of contributions.

Jo Sharpe: Jurgen, you say just now that a UBI might help people as they changed jobs and careers. There's an argument that goes even further and suggest that a universal basic income could allow people to leave undesirable work, which in theory might put pressure on employers to increase wages or improve work conditions.

Would a UBI improve the bargaining position for workers do you think?

Jurgen De Wispelaere: So I've written on this with one of my colleagues, Simon Birnbaum, and we actually are quite a bit sceptical about this. The standard argument is exactly that, and it's become a big argument in the basic income debate. Which is to say at the moment, people are trapped in bad jobs.

And the reason for that is because they depend on their income, so they can't leave their jobs. You give them a basic income and suddenly they can basically tell their bosses, look, you either give me better conditions, better wages, better benefits, more amenable time, or else I'm taking my job elsewhere or my labour power, so to speak.

And the other thing about that is that employers are meant to sort of anticipate this and adjust their perspectives and actually offer people better things. So what's the problem with that. We think that in many cases, this sort of exit is a bit of a hole of threat. You even under a basic income worker, can't really easily leave their jobs.

And then the question is there a risk where just taking your basic income and leaving? And the big risk of that is of course, that you don't find another suitable job. That's much, much better. And the labour markets, the way they are at the moment for many, many people. And I'm thinking, especially precarious workers who may not have the sort of skills to be able to move around in many, many different types of jobs, or they may not be able to relocate.

For all these reasons, it may just not be possible for people to leave with the basic income that easily. Also keeping in mind that the basic income come doesn't replace everything that the wage does. It's not including, benefits many people depending on their job for healthcare benefits and so on, so forth.

You take all that together what that basically means these employers are just not going to buy into this because they realize it's not that obvious. Now, if employers don't buy into this, then you know, two things can happen. One, the people end up without a job and could be worse off it. And even better than that, now we're talking about automation, we worry that basic incomes, exit threat strategy basically is an excuse for employers to start making people more redundant.

So what's the take-home message of that. It's not that basic income is as a bad thing. Basic income can do a lot of really, really good things, but we're just very concerned about this exit-threat argument as such the bargaining power argument, it's really, really overplayed.

And we think that what is needed at the moment, this is largely a theoretical argument. We should have some empirical evidence to look into this and that empirical evidence has to be very sensitive to the fact that there's a lot of different types of workers, a lot of different types of jobs and a lot of different types of sectors in the labour market.

So it may be that a basic income could improve bargaining power for certain workers in certain jobs, in certain sectors of the economy. But the thing that that's an argument that's going to

sort of change the whole labour market and sort of massively improved bargaining power across the board. That's something that we don't buy into.

Jo Sharpe: We started to talk about how a UBI could allow people to shift to some extent anyway, from paid work into other forms of valued work, like care, volunteering. Some of these other things, given that care responsibilities are disproportionately borne by women. It's interesting to consider the gender aspects of this shift.

Francesca, can I ask you would a UBI advances gender equality as some have claimed?

Francesca Bastagli: Jo, you very usefully described what a UBI is at the beginning. And some of its finding features. The fact that it's a universal unconditional paid on a regular basis, does hold potential for addressing some of the persistent gender inequalities in the world of work.

In particular, many existing income support schemes or cash transfers are designed around households as a unit they're commonly conditional. That is they have certain behavioural requirements attached to them. But as regards the role of women, some of these cash transfers are designed around assumptions about the gender division of labour and the role of women in society.

These are often framed in terms of behavioural requirements for children to, for instance, be enrolled in school, to attend school regularly, to undertake regular health visits. These are the classic example of where an existing cash transfer while targeting women essentially may end up and commonly does end up reinforcing the role of a woman as a primary care provider.

And this is true for other types of income support schemes. The women are in receipt of primarily in their role as care providers or as wives and widows. In this respect that UBI holds consider a potential a because it's paid to women as individuals. It will be paid to people individually and not, with respect to their role in a household.

And because it's unconditional. By being paid individuals and by freeing up any behavioural requirements, it holds potential to address some of these underpinning assumptions about, for instance, the gender division of labour. So more specifically, a UBI could help ensure that women participate in paid employment by freeing up their time in societies where care services are not publicly provided. A UBI could be spent on paying for such services, allowing women to move into paid employment. If that's what's desired and the opportunities are there. These are ways in which a UBI might help to value unpaid work and address the unequal distribution of unpaid work and care work in particular.

On the other hand, there are concerns that a UBI may maybe enforce the gender division of labour. Because what may happen is that any reduction in paid work associated with a regular income transfer paid individually might be taken by those with weaker labour market attachment. So those with lower pay secondary earners that typically are women in couples.

I think there's particularly evidence around women with children in a couple where the secondary earner yes may step back from paid employment. And coming back to the

conversations we just had and that Jurgen also has emphasized this is not necessarily a negative outcome. We just need to be mindful of if this is reinforcing certain gender divisions of labour, that this needs to be taken into account, but this can happen too.

I think what is key is that whether, and in what direction a UBI would influence gender inequalities in the distribution of unpaid work will depend critically on the wider efforts in policies and in the wider policy configurations around tackling gender norms and regulating care provision. And the more broadly the provision of services.

Jo Sharpe: And it's interesting, isn't it? Because another factor, of course, is that if you're in paid work or at least in formal paid work, that might also come with more protections over the lifecycle, like pensions and some of those things that are presumably worth more ultimately than a basic income, which by definition is quite basic.

While we're on this subject, I think progressive social protections, organized labour, even gender equality, these are issues that might traditionally be associated with left, or at least perhaps progressive-leaning politics. When it comes to the UBI, though, there are proponents and sceptics on the right of politics, as well as the left.

Jurgen, how do different political ideologies translate the UBI to align with their own political views?

Jurgen De Wispelaere: The standard way to pitch this is that we have a left case for basic income. And we have a right-wing case for basic income in terms of politics. And the right-wing case it's all basically about innovating the way we organize social security against changes in the labour market, etcetera.

But there are a lot of constraints on that. Budget control is very important, right? The right doesn't like new taxes and so on. It all has to fit the existing budget. The basic income itself has to be quite limited because work incentives are primary. And this idea that there always has to be a quid pro quo you shouldn't be giving any freebies and so on so forth.

On the left then the argument is a lot more comprehensive and expensive. So there, the idea is that based income itself could be much, much more generous. We're talking about securing income floors. We're talking about addressing poverty and inequality, including gender inequality and so on so forth.

Funding there is often about adding taxes on to it. It's perfectly okay. We need to tax the rich more or even the middle classes. We need to find new taxes and new ways to tax and that's where we'll all pay it off.

There's still a very strong current that thinks that, because basic income has support amongst the left and the right and everyone in the middle and so on so forth, this is this sort of major bridging type of proposal. And I've always thought that this was a bit weird. One of the things that we see is that we often have a sort of a lot of agreement around basic income across the political device until you get to the details.

So, for example, on the left, there are the people who argue that a basic income is great because in a way it might stop some of these things like organized trade unions and it just secures individual rights. And they think that that's a progressive case for it. There is a progressive case there. And at the same time at the left, you have people who worry about this because they say actually, in history, trade unions have been so important, then we don't want anything eating into our collective rights and so on so forth.

You have two progressive, fundamentally different positions and they might support basic income, but under very different conditions. Again, this is a famous argument. The left side of the debate, if you like, which sees basic income as a Trojan horse, it's kind of just a way of dismantling the welfare state and other type of established social protection programmes.

Now, for sure that's not the intention of the majority of the basic income proponents at all, but in a way, that danger could be there. And there definitely are right-wing proponents who really do see basic income as, okay let's kind of get rid of all sorts of programmes. We just put the very flat-rate universal payment. And be done with it. Right?

The thing that I find in the way more useful is sort of the opposition between what you might call a pragmatic basic income, a basic income that works within the system. And in some sense, try to sort of deal with, things that are going bad in the system at the moment, all sorts of traps and dysfunctions and gaps and tries to patch that up, but fundamentally leaves the system in place.

And that is a very different way of thinking about basic income, as opposed to a much more sort of transformative basic income. And the transformative basic income, those are the people who really kind of want to change the system and think that once we have a basic income in place, at the end of that, so to speak, we will be in a very different type of social-economic system.

We have very different relations between each other, between workers, employers, between people inside the household and so on, so forth. So that I think is a fundamental difference between sets of arguments that work within the system versus sets of arguments that really aim to change the system.

And again, that's a very, very strong opposition and it sort of crosses the left and the right a bit. On the left again, you have a lot of people who are okay with basic income within the system, and then you have people who push for basic income to change the system. So that's, that's even within one political group.

But the pragmatics and the transformational people. Getting them to agree on a basic income that is a really problematic issue as well. And I think that's a more fundamental distinction, a more helpful distinction as well, compared to just thinking about left versus right.

Jo Sharpe: We'll pick this up again in February in part two of our series on universal basic income. When we'll look at the UBI as part of a broader social protection system, is it affordable? Is it equitable? What are the trade-offs and has COVID changed the equation?

Jurgen De Wispelaere: We give basic income to the rich because it benefits the poor.

Francesca Bastagli: Once you start to factor in the political economy dynamics of public policy, some of the intuitively appealing aspects of targeting, frankly, are weakened and actually the hour would point towards the potential benefits of a fully universal or indeed more universalistic and unconditional approaches.

Jurgen De Wispelaere: Does it all come down to cost? Well, for me, it all comes down to politics, but unfortunately, the cost is a huge part of politics.

Jo Sharpe: We'll end this episode, as we always do with some quick wins. Each month, we ask a guest to give a quick roundup of news, achievements or a research that have sparked their interest and that we think you should know more about.

With me today is Zehra Rizvi, Zehra, is a senior expert working at the intersection of humanitarian practice and social protection with a focus on cash transfers. Late last year, she worked with socialprotection.org to moderate the big social protection e-vent subtitled you spoke up, we listened, but what should we do next?

So in case you miss that event, back in November, we wanted to highlight some of the really interesting discussion.

Welcomes Zehra.

Zehra Rizvi: Thanks Jo, how are you doing?

Jo Sharpe: So the big e-vent was about creating an inclusive space where people could let off steam about what was really bothering them, but also what was motivating them while they have been working on social protection during COVID-19.

So tell us what were your key takeaways from that whole event?

Zehra Rizvi: First of all, thanks for having me on here. I love the podcast. I love what the sp.org is doing around this and creating this community of practice for all of us. And this SP event was one of those experiments. We had seven women, senior women on the panel, which of course, as the moderator you can imagine was quite crazy to try and do, but we had all the actors on that panel that we always say need to be in the room.

We had Marie-Rose Romain Murphy that was on there. And she works with and has co-founded a local community-based organization in Haiti. And she was really stressing correctly. We need to look at co-creating solutions at the local level, how can we enable local innovation? And what does investment look like around that?

And this was a theme that kept coming up over and over again like we need context-driven solutions, people-centred solutions. All the speakers went into that.

There was an interesting thing that Kathryn Taetzsch from World Vision. She's the global director of many different things, but humanitarian cash is one of the things I choose also looking at and they have a citizen toolkit.

And how can you get that community engagement? How can we be again, supporting communities around that? And when we talk about disasters and cyclical natures of disasters. That's where we had Yolande Wright, from Save the Children, coming in with the COVID year that we've had with a lot of the attention being paid around this nexus, the humanitarian plus development.

She was really coming in from that angle. She's the head of global poverty of Save the Children. And I loved what she said that we need to crack the nexus because you can't adapt to starvation. We keep talking about like, oh, we're going to adapt, we're going to do this. And it's such a powerful line there that you can't adapt to starvation.

And I absolutely loved that she was bringing that up. We had from ECHO and their office in Nairobi, Sigrid Kühlke. And she looks at the nexus between humanitarian and development with the focus on forced displacement. And one of the things that struck me about what she was saying, a lot of frustration as well there in terms of like, how are we going to crack this nexus and sort of a call for humanitarian actors and development actors to use ECHO funding in a way to pilot projects, to use the funding for a prototype that then can be taken over to the development side.

One of the big issues that came out of the event was coordination and the UN especially was signalled out for that.

And for that, we add as to Natalia Winder Rossi, the head of social policy at UNICEF to come and address that issues well done her for just meeting it, head-on. She had this brilliant list of the these are the challenges at the country level, but there is complementarity between the different actors. We need to be able to look at it and figure out how do we, in fact, work together.

And it was good to see that coming up and talking about coordination and complementarity because Madam Cecilia Mbaka, she's the head of a social protection in Kenya. She is part of the government and her point was really it has to be government-led. And that is how they are doing it in Kenya, along with UN agencies, they have a framework. Everybody is able to deliver as one and something that we don't talk about that much. A lot of these things are actually personality-driven as well on the coordination side. And she said that you need to have a good relationship with your focal point in the government, who is doing that coordination so that it all can in fact come together.

The last speaker was Petrona Davies the permanent secretary from the ministry of health and social development in the British Virgin Islands. She addressed and talked about how in the British Virgin Islands, they had these really awful hurricanes in 2017 where they had a social assistance response basically, but it was a humanitarian response. A big cash program got set up. It was done jointly with the government, but what was incredible is that they were able to take all of those lessons and apply it to COVID. And this time it was a fully government-led

response. It was heavy on the social assistance side, but we're coming onto two years of COVID massive social assistance responses across the world. And what she was saying was let's look at social protection in a wider way.

There is more to social protection than just social assistance. So where is the social insurance part of it? Where is the labour market policies? Because even a government can not continue to keep doing social assistance forever. So yeah, just a lot of great discussion and resources that were put out there.

And I was just super pleased, privileged in fact, to be able to moderate an event like that.

Jo Sharpe: Yes. And for an event that started conceptually as a vent, it was really interesting to see how tension around, for example, issues like the humanitarian nexus. I do think people were quite openly kind of pushing its ideas, but rebutting other thoughts. And then I thought it was great.

Zehra, thank you so much for joining us on the Social Protection Podcast today.

Zehra Rizvi: Thank you for having me. It is always a pleasure.

Jo Sharpe: And thank you for joining us for the Social Protection Podcast. We are a production of socialprotection.org, which is the place to go online for free information, research and community on all things social protection. You can follow us on Twitter at [SP_gateway](#) and look for us on [Facebook](#), [LinkedIn](#), [Instagram](#), and [YouTube](#).

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