

# BASIC INCOME

In The Neoliberal Age

#### **Basic Income In The Neoliberal Age**

The Ontario Coalition Against Poverty (OCAP) Contact OCAP at ocap@tao.ca or (416) 925-6939 Published December 2017 by Socialist Project Toronto, Ontario, Canada

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# Introduction

# **OCAP**

From the very first days of the Ontario Coalition Against Poverty (OCAP), at the beginning of the 1990s, we have found ourselves on the front lines of a war on the poor that has been of central importance to the implementation of broader neoliberal austerity. The turn to neoliberalism by leaders of global capitalism took place after the postwar boom lost its steam in the 1970s. Concessions to trade unions and the expansion of the welfare state had cut into capitalist profits in a serious way. Restoring the rate of profit required a regime of intensified exploitation, and this was the neoliberal project of the New Right as it emerged in the 1980s under the leadership of Ronald Reagan, Margaret Thatcher and Brian Mulroney. Restrictions on the movement of capital were eased, manufacturing jobs were moved to lower wage regions and countries, employers and their states spared no effort to impose defeats on striking workers and to weaken their unions and ongoing cutbacks to the social infrastructure were ruthlessly pursued. Of particular importance in this regard was the degrading of those social programs devoted to providing income to those outside of the workforce, which Canada undertook in the mid-90s with the move to the Canada Health and Social Transfer (CHST) implemented by the Liberal government of Jean Chretien. Other countries took similar measures in the same period.

In Canada, the undermining of these income support systems, both at the federal and provincial level, has continued to be vigorously pursued and the poverty and insecurity that this has generated has created the vulnerability and desperation needed in order to weaken workers' bargaining power, reduce the capacity of unions to resist and to facilitate a veritable explosion of low wage precarious work.

A series of governments in Ontario have enthusiastically worked for regressive neoliberal objectives. The Tory regime of the 1990s slashed social assistance rates drastically. Since 2003, the Liberals (albeit with their customary progressive pretensions) have consolidated and deepened the work of their predecessors. A massive reduction in the adequacy of income support systems has resulted. Capitalism has always required a section of the population to live in poverty, outside or on the margins of the job market. This is fundamental to creating the economic coercion on which the system rests. The neoliberal years have been devoted to increasing the level of exploitation and, therefore, have required that this

coercion be intensified. Since the great financial crisis enveloped the capitalist world in 2007, with its impacts still being registered a decade later, this has been particularly the case. Basic income (BI) as being discussed by current governments, sometimes also called guaranteed annual income or mincome, is yet another flank in the neoliberal attack.

## **Basic Income and Neoliberal Austerity**

In light of this dogged pursuit of austerity based agenda over so many years, news that the Ontario government was likely to set up a BI pilot, supposedly so as to put in place a measure that would decrease poverty and provide more adequate and secure income, struck us as a gift horse whose mouth we should carefully examine. While our particular concern was to look at what was unfolding in Ontario, a critical look at the whole BI concept was also in order. As we began to explore the various versions of this social policy that are put forward, it became clear that the neoliberal right has its own sense of the possibilities of BI. At the same time, a wide range of proposals, from modestly redistributive to boldly transformative are advanced from the left.

It is easy to appreciate how supporters of neoliberal austerity and privatization can see in basic income a measure that could be crafted to suit their needs. A small and dwindling payment, that doesn't provide a disincentive to join the scramble for low wage work, is what they have in mind. If it is provided to low paid workers, it functions as a de facto subsidy to employers and reduces pressure to pay decent wages or increase the minimum wage. At the same time, a key aspect of right wing basic income is that it replaces other forms of social provision, rather than augmenting them.

The progressive proponents of basic income occupy a wide range of the political spectrum, from liberals who simply want to responsibly and modestly reduce poverty and inequality to far more radical thinkers who see BI as something socially transformative. This is advanced with unpar-



alleled boldness in the title of the 1986 article, "A Capitalist Road to Communism" by Robert Van der Veen and Philipe van Parijs. A recent contribution to *Canadian Dimension* by Erik Olin Wright, "Basic Income as a Socialist Project," similarly presents BI as a means of undermining the basis for capitalist exploitation.<sup>2</sup>

These kinds of left advocates are easily able to show how providing a universal adequate payment, while maintaining other elements of social provision, would weaken or even eliminate the basis for exploitation of the working class under capitalism. However, where they uniformly fail is in the not unimportant area of showing how this is all possible. Capitalism needs economic coercion for its job market to function and decades of neoliberal austerity have intensified that coercion considerably. With trade unions weakened and powerful social movements conspicuous by their absence, it is doubtful that a major social reform, such as the proponents of progressive and transformative BI advance, is likely.

Nothing comparable to the alignment of forces that make the postwar welfare state attainable exists. However, even beyond this, a payment that actually allowed workers to opt out of the job market or enter it largely on their terms would indeed be an unlimited strike fund. This is beyond a reform. It is a measure that the capitalist classes, even if they were far weaker than they are at present, could not countenance. Reforms can only be won by those who are strong enough to win them but they will be conceded only by those who can afford to grant them. Capitalism is not going to commit suicide by social policy.

Still, some left proponents argue that an impending 'robot future' will make an adequate and universal basic income impossible for the capitalists to deny. The wily operators in Silicon Valley are all too ready to foster this illusion. Technological displacement, while not as clear cut and all consuming as some suggest, is very real. However, the notion that its progress will convince capitalists to adequately meet the needs of those they displace by way of a basic income is not realistic. Employers exist in a competitive relationship with each other and use technology to reduce costs and gain an edge over their rivals. That this will change and that capitalists will feel compelled to do the right thing by those they put on the streets is an unwarranted assumption.

If the advocates on the left were harmlessly tilting at the basic income windmill, it might not matter a great deal. Sadly, however, as this pamphlet will show, a neoliberal version of BI is in the works. Progressive

<sup>1.</sup> ssc.wisc.edu/~wright/ERU\_files/PVP-cap-road.pdf

<sup>2.</sup> canadiandimension.com/articles/view/basic-income-as-a-socialist-project

hopes only provide legitimacy to this regressive work in progress. Albeit with the best of intentions, the proponents of a left model are opening the door to the hideous opposite of that which they aspire to. A very real neoliberal threat is being treated as a progressive opportunity, based on false hopes and unrealistic expectations.

#### **OCAP Makes Its Case**

This pamphlet contains six articles which were put out between April of 2016 and September of 2017 and an OCAP statement on basic income issued in October of 2017. They are an attempt to develop a response and sound a warning on the likely form of a system of basic income (BI) that would be implemented several decades into the neoliberal era. They respond partic-ularly but are not limited to the fact that the Government here in Ontario is moving to establish a basic income pilot project. Four of the articles were written by John Clarke, one was written jointly with A.J. Withers and John Clarke and the last was written by Yogi Acharya and A.J. Withers. All three of us are OCAP organizers.

The six articles and statement represent an attempt to come to terms with the dangers of basic income, as the Ontario Liberals moved towards initiating their pilot project. The first, "Looking the Basic Income Gift Horst in the Mouth," written when we had only the most general declaration of intent to go on with regard to the pilot, began to lay out a basic



Stark divide between rich and poor in Sao Paulo.

analysis of how BI would likely serve the neoliberal agenda rather than progressive aims and why we should fear such a policy tool in the hands of an austerity regime like the one in Ontario. The second article, "Ontario's Austerity Government Sets Basic Income Trap," appeared after the Government's basic income advisor, Hugh Segal, had issued his proposal for a pilot.

It stresses how the lengthy process will be used to stall on raising social assistance rates. It questions the very approach of providing a form of slightly improved income to handfuls of test subjects as a diversionary study of poor people, rather than a legitimate exploration of the societal implications of a BI system.

It reiterates the fundamental issues of neoliberal danger versus

progressive opportunity that are inherent in this policy approach. In retrospect, the article is over hasty in granting that people on social assistance who go on the pilot will be somewhat better off. We now know that the loss of benefits and services that will go with participation in the test, coupled with loss of protection from debt collectors, means that many on social assistance will not be in an improved situation, despite the increased monthly payment.

The third article, "Basic Income: Progressive Dreams Meet Neoliberal Realities," places more emphasis on challenging those on the left who advance BI as an antidote to neoliberal austerity to explain the basis for their faith in this approach. It also looks more closely at the ways in which BI can serve the objectives of global capitalism and sets out some of the demands and forms of struggle that could and should be taken up in place of the BI panacea.

The fourth and fifth articles focus on specific marginalized populations and the impacts of basic income on these groups. "What Basic Income Means for Disabled People" draws on A.J. Withers' extensive experience in disabled peoples' struggles. Here, Withers and Clarke recognize that disabled people, so disproportionally subjected to long term poverty and, forced to live on meagre and restrictive social assistance systems, could easily take a hopeful view of BI. However, they warn that the model that would be imple-mented threatens to make things worse. Supports and hard won entitle-ments that disabled people have won could be eliminated under cover of the BI payment. The implementation of such a system could also be an opportunity to intensify ongoing efforts to create a more stringent approach to determining who is and who isn't disabled. The fifth article, by Yogi Acharya and A.J. Withers, "Intentional Neglect or Callous Oversight? How 'Progressive' Basic Income Proposals Fail Migrants," shows how, in the context of abuse and exploitation on a global scale, progressive BI schemes fail to address income security for migrants. Indeed, they often make their peace with right wing anti-immigrant sentiment with their dangerous concept of a 'citizen's income'.

The final article, "The Neoliberal Writing on the Wall: Ontario's Basic Income Experiment" was written at the request of UK allies to sound a warning over the Labour Party's interest in adopting BI as a policy. It provides, however, an evaluation of the Ontario pilot project and suggests the model being developed is that of a means tested, sub poverty wage top up that would be financed by social cutbacks in other areas. It suggests a Corbynled Labour Party could do much better than accepting "a policy that commodifies social provision, accepts low wages while topping them up out of the tax revenues and that has the support of such reactionary forces globally."

The OCAP statement on "The Neoliberal Danger of Basic Income" was issued and is being circulated for organizations and allies internationally to sign onto. It represents a step towards uniting opposition on the left to the basic income trap and represents an attempt to counter the misguided efforts of the progressive BI lobby.

Fundamentally, as we argue in these articles, the notion of a social policy way around the neoliberal attack is disorientated and reflects the reverses we have experienced during this period. Against all the evidence that a form of BI is being adopted that would facilitate and deepen the neoliberal agenda, it is imagined that a redistributive or even transformative model can be created that would provide an adequate income to everyone that enabled them to withdraw from the capitalist job market or enter it on their terms. This wild assumption fails to assess the present balance of forces in society but also misunderstands what kind of reforms can be implemented under capitalism. The ability to impose economic coercion on workers and potential workers is not something the system can afford to surrender. OCAP is, indeed, an anti-capitalist organization but we believe that the mass struggles of the working class will end this system and not some form of social policy innovation.

Very likely with a regressive version of basic income as one of its weapons, the neoliberal attack is going to continue and the issue is to build the capacity to resist and to go on the offensive. The "Fight for 15 and Fairness" campaign has forced very significant concessions out of the Ontario Government on the minimum wage and basic workers' rights. The Raise the Rates Coalition that OCAP is part of is preparing a major effort to challenge the cynical stalling tactic of the Basic Income Pilot and demand a major increase for the hundreds of thousands of people on social assistance. Other struggles against social cutbacks, for the right to housing, against home-lessness and in defence of public healthcare are underway. Through such movements, we can mobilize around attainable demands and gain the scale and momentum needed to extend what is attainable through struggle.

The IMF economists, the Davos corporate oligarchs, and a range of reactionary governments are all working on a form of BI. A well-intentioned but muddle headed progressive lobby thinks it can convince them to deliver the finished product in a form that will make things more fair and equal. This is dangerous and profoundly misguided. In putting together this pamphlet, we hope that it will contribute to an understanding of the neoliberal reality of basic income, the folly of putting down a welcome mat for it and the stark necessity of resisting its implementation. •

# Looking the Basic Income Gift Horse in the Mouth

# John Clarke

Both the Trudeau Liberals in Ottawa and the Wynne Government at Queen's Park in Toronto have been making noises of late on the subject of Basic Income. The last Ontario Budget, in fact, declared an intention to carry out a pilot project in a community still to be announced. While no clear details are yet available, it is very likely that we will soon be dealing with a practical initiative that we will have to respond to. We will have to consider how we view the possibility of the Liberals moving in the direction of a Basic Income system.

After decades of intensifying austerity and the erosion of systems of income support, with social assistance in Ontario now providing such wretchedly inadequate benefits that people are unable to feed themselves properly and retain their housing, the notion of a basic level of income that all are entitled to can't fail to generate a level of interest and raise some hopes. However, I am convinced that a good hard look in the mouth of this particular gift horse is well advised. What are the different notions of how a Basic Income system might work? Why are governments now considering it more seriously? What form would it be likely to take in the present economic and political context?

### **Looking Deeper Into the Gift Horse**

As soon as you start to look into the question of Basic Income or, as it was often called in the past, Guaranteed Annual Income (GAI), you are immediately struck by the ease and enthusiasm with which free market thinkers and warriors of the neoliberal order have embraced the concept. From Milton Friedman to Charles Murray, the idea has found warm support on the political right.<sup>3</sup> There are some clear and obvious reasons why this is so. Firstly, the very idea of a basic level of income is about establishing a floor and right wing proponents are confident they can locate it in the basement. A low and inadequate social minimum seems to them a great way of folding in existing, relatively adequate programs so as to, precisely, drive people into deeper poverty.

Another attraction offered by a low universal payment to those who take

3. theatlantic.com/politics/archive/2014/08/why-arent-reformicons/375600

the side of the capitalists is the potential role it could play in depressing wages. In a recent contribution to the *Union Research* blog<sup>4</sup> on the issue of Basic Income, Toby Sanger, draws attention to the Speenhamland System<sup>5</sup>, a wage supplement ar-rangement put in place under the English Poor Laws between 1795-1834, and the role it played in driving down wages. Low wage paying employers could rely on the tax base to pay their workers wages and employers who had been paying higher wages were under an incentive to lower them in order to obtain the same benefit. In the present context of vastly expanding low wage precarious work, this danger is one that should not be underestimated.

The right wing Basic Income agenda, however, sets its sights on more than cutting benefit levels for people in poverty and depressing the wages of the

lowest paid workers. Potentially, it is a means to gut social programs and to decimate the workforce that delivers them. The notion is to use the basic payment to advance the pace of privatization enormously. This kind of payment would replace public services and all who received it would become customers shopping for their social needs in the private market. Not just income support systems, but



public housing, healthcare, education and transportation are threatened by the parsimonious universal payment envisaged by free market Basic Income.

#### A Different Kind of Basic Income?

Of course, the political right's version of a system of basic social payments is countered by those with more progressive concepts. There is a notion of Basic Income that stresses income adequacy, the need to advance full employment and the importance of preserving and strengthening a range of other elements of the social infrastructure. Without doubting the good intentions of advocates of a progressive Basic Income, it does need to be pointed out that the question of which version is to be adopted will not be decided by an impartial court of the common good but by present day governments. The people running the show on Parliament Hill and at Queen's Park have some history behind them when it comes to the

 $<sup>4.\</sup> union research. or g/2016/03/20/how-progressive-is-a-basic-income-left-and-labour-perspectives$ 

<sup>5.</sup> en.wikipedia.org/wiki/Speenhamland\_system

implementation of measures of austerity and privatization. Their recent experience in bold new social policies that raise the living standards of working class people and increase their share of the social wealth is significantly less.

The austerity agenda, which we can trace back to the 1970s but which has intensified following the international crisis of 2008, has placed a central strategic importance on weakening the adequacy of income support addition to the massive undermining programs. of unemployment insurance, provincial social assistance has enormously weakened. People on Ontario Works (OW) and the Ontario Disability Support Program (ODSP) have seen the spending power of their income reduced by up to 60 per cent since the infamous Tory cuts of the mid 90s. Not only have income levels been driven down but rules and policies have been adopted that have made programs harder to access and more uncertain for those receiving them. The increased poverty and the climate of desperation that this attack has generated have been of central importance in ensuring an astounding growth of low wage<sup>6</sup>, precarious employment in Ontario.

As the Liberals, political chameleons that they are, posture on the issue of Basic Income, we must avoid the trap of thinking that a rational and socially just approach is going to be won on the strength of good arguments. The idea that Basic Income is so sensible that everyone on both sides of the class divide will want to get behind it and make it work in the best interests of all is profoundly mistaken. If the concept is being advanced in Ontario by the very provincial government that has led the way in program reduction and austerity<sup>7</sup>, it is not because they want to reverse the undermining of income support, the proliferation of precarious employment and the privatizing of public services but for the very opposite reason. They are looking with great interest at the possibility of using Basic Income as a stalking horse for their regressive social agenda and it will be the version that Bay Street has in mind that will win out over notions of progressive redistribution. As the announcement in the Ontario Budget acknowledges:

"The pilot would also test whether a basic income would provide a more efficient way of delivering income support, strengthen the attachment to the labour force, and achieve

<sup>6.</sup> www.huffingtonpost.ca/2015/06/15/ontario-wages-earnings-ccpa\_n\_7587844.html 7. socialistproject.ca/?p=1240

savings in other areas, such as healthcare and housing supports" [page 132].

Social programs that have emerged in capitalist societies, especially those devoted to income support, have always been reluctant concessions. Their design, effectiveness and contradictions have reflected the prevailing economic and political situation and the balance of class forces in society. For decades, we have been fighting a largely defensive struggle to prevent the decimation of systems of social provision. We are not in a period when

bold new redistributive programs are on the drawing board. The Liberals will be only too happy if we give up fight to defend systems that have been won in previous struggles and join them, as 'stakeholders' at the consultative round table. A decade experience in of maintaining an empty discussion of 'poverty reduction' has turned them into experts in such diversionary tactics. At the end of the process, however, if we allow them, they will put in

This is a particularly bad time for the lamb to accept an invitation from the lion to lie down.

place a version of Basic Income that will give Milton Friedman very little reason to turn over in his grave.

We are in a period when capitalism and the governments that represent its interests are increasing the rate of exploitation and reducing the level of social provision. That is not about to change and any redesign of income support systems we confront will be all about furthering, not limiting, levels of social inequality. This is a particularly bad time for the lamb to accept an invitation from the lion to lie down. Basic Income will be no panacea and the fight for income adequacy will continue, of necessity, to take the form of social mobilization against an agenda of austerity and regression. •

# Ontario's Austerity Government Sets Basic Income Trap

# John Clarke

The Ontario Government's Adviser on Basic Income (BI), Hugh Segal, has released his much heralded discussion paper, "Finding a Better Way," that sets out his proposals for a lengthy BI pilot project. If the experiment he advocates is put into effect, it will run parallel to the deliberations of a Security Reform Working Group<sup>10</sup> that will be considering changes to the present social assistance system in the province, rather than replacement to it.

Segal's proposal is being put forward in an international context of considerably enhanced interest in the notion of Basic Income (BI). The Ontario Coalition Against Poverty (OCAP) has been very sceptical when considering the nature and possibilities of BI in general but, before taking this up, a few comments are necessary on the particular features of the situation in this province. As far as we're concerned, there is no reason to believe that the Ontario Liberals have the slightest intention of improving the lot of those living in poverty and their track record can only lead to the conclusion that they are putting in place another round of futile deliberations<sup>11</sup> to divert attention from their real agenda of austerity and war on the poor.

Consultations of this kind have been used for years now to trick people into believing action on poverty is being prepared, as real incomes have declined, related benefits and supports have been cut and the numbers forced to work for poverty wages has grown massively. Bluntly, even if we believed that Basic Income was a viable and likely means of poverty and inequality, we would remain convinced that the impending consultative circus is an exercise in duplicity. The Liberals aren't acting in good faith and, in any event, the process of deliberations will extend beyond the present political mandate of this deeply unpopular government.<sup>12</sup>

<sup>9.</sup> files.ontario.ca/discussionpaper\_nov3\_english\_final.pdf

 $<sup>10.\</sup> news. on tario. ca/mcss/en/2016/06/on tario-establishing-income-security-reform-working-group. html$ 

<sup>11.</sup> stillmyrevolution.org/?p=537

 $<sup>12.\</sup> news. national post. com/news/canada/canadian-politics/ontario-premier-wynnes-chickens-have-finally-come-home$ 

#### **Liberal Machinations**

From the standpoint of the Liberal's political machinations, the most useful thing about "Finding a Better Way" is how much it helps them delay the search. The paper calls for a round of public consultations, a period in which the Government will prepare a pilot, at least three years of testing it out and, then, a review of the findings that will doubtless proceed at a glacial pace. However, for such a lengthy undertaking and a study of a concept that has such far reaching implication as Basic Income, Segal's plans are remarkably unimaginative.

He wants to gather together "an arm's length coalition of competent not-for-profit research organizations" (p35) to run a project that will recruit a sampling of the poorest people and test out the results of making them a bit less poor. The idea is to gather test subjects mainly from among those on social assistance but including others who are selected "regardless of their status in the labour market." The income of this grouping would then be increased to 75% of the Low Income Measure from (for the very poorest) the present level of 45%. The scrutiny and moral policing normally associated with receiving social assistance would be removed and their ability to earn extra income would be enhanced (p. 8). The people who would be tested would be geographically dispersed across Ontario, but there would be three "saturation sites" where all those eligible would be offered the chance to participate (p. 53).

Contrary to Segal's assertion that "(t)here is no way of predicting what a properly managed and objective pilot will produce in terms of results," (p72) the findings of this venture are entirely predictable. If you give some very poor people a bit more money, they will become a bit less poor and a bit better off. Doubtless, Segal's group of interdisciplinary professionals will come up with an array of terms to lend an air of pseudo profundity but there really won't be any results that are the least bit surprising and the whole process is an exercise in needless delay.

The increased income that will go to Segal's test subjects should be provided (and more) to every person on social assistance in Ontario and the minimum wage should become a living wage, with an immediate increase to \$15 an hour. The real implications related to the concept of Basic Income have to be considered apart from Segal's quest to discover the obvious. That some of the poorest workers are going to be a bit better off with some extra money is clear but the issue is what it would mean to top up the wages of millions of low paid workers out of the tax revenues while letting their employers off the hook entirely when it came to paying living wages. That a group of people on social assistance will do better at

75% of the Low Income Measure than at 45% is a given but what happens if a basic payment is introduced while public services are being degraded and supports, especially for disabled people, are going under the austerity knife?

## **Immediate Fight: Raise the Rates**

In Ontario at the moment, the eventual possibility of this pilot project translating into concrete changes in how income support is delivered is less pressing than the task of ensuring the deliberations are not used as a cynical cover that allows the Government to impose severe and deepening poverty on those on the present system of social assistance. The immediate fight is still to 'Raise the Rates.' Still, the Ontario Basic Income pilot project must also be addressed as part of an international drive to advance an initiative that furthers austerity and privatization while posing as a vehicle for progressive reform and social policy innovation.

This might be a good moment to note that the notoriously right wing Fraser Institute weighed in on the Ontario experiment, shortly before the discussion paper appeared. Their writers were at pains to insist that a suitably market friendly version of Basic Income would ensure that the payment it provided replaced, rather than augmented, other systems of social provision.



For the Fraser Institute to feel reassured,<sup>13</sup> the model would also provide income that was sufficiently inadequate to continue to drive people into the lowest paying jobs on offer. This view of BI as a way of intensifying austerity and greasing the wheels of privatization has been expounded repeatedly by a long list of right wing thinkers that includes none other than Milton Friedman and extends to present day IMF economists. There, nonetheless, exists a widely held view on the political left that BI can be an antidote to this agenda, rather than a means to further its progress. In this regard, OCAP and a range<sup>14</sup> of trade union<sup>15</sup> and social movement activists,<sup>16</sup> as well as left academics,<sup>17</sup> have expressed everything from serious doubt to outright hostility. The basis for the position that OCAP has taken can be expressed in the following six simple points.

- 1. Capitalists can increase the rate of exploitation and profit if there are more workers than jobs. They have always ensured this imbalance is maintained to one degree or another.
- 2. Income support to those outside of the workforce is provided at minimum levels as a reluctant concession to the extent necessary to prevent or reduce social unrest or dislocation.
- 3. Since the 1970s, we have been dealing with an agenda of austerity and an assault on public services that has included the degrading of income support systems. This has also involved a drive to force disabled people and injured workers to compete in the scramble for the lowest paying jobs. These tactics have been enormously successful and have massively increased the level of exploitation. Unions are weaker, wages have been depressed and low wage, precarious work has abounded.
- 4. Despite the gains of the austerity agenda and the presently unfavourable balance of social forces, the idea has taken root on the left that we can somehow get governments to provide a universal or very widespread payment that will redistribute wealth, reduce poverty and decrease the exploitative capacity of the capitalists. Why governments would do this or how they could be prevailed upon to do so is never really explained.

<sup>13.</sup> www.fraserinstitute.org/node/10275

<sup>14.</sup> briarpatchmagazine.com/articles/view/who-wants-a-universal-basic-income

<sup>15.</sup> unionresearch.org/?p=567

 $<sup>16. \</sup> further field. org/features/articles/universal-basic-income-neoliberal-plot-make-vou-poorer$ 

<sup>17.</sup> rankandfile.ca/2016/04/22/beware-of-basic-income

5. While a progressive Basic Income is not on the cards, its free market evil twin is a real and very dangerous possibility. Under this neoliberal model, an inadequate and dwindling BI payment is provided that absolves low wage employers from the obligation of paying living wages and becomes the only element of social provision left in place. You become a customer shopping in a market place of privatized services. Who could really deny that this right wing version is much closer to presently unfolding reality than the hopes and dreams of left BI enthusiasts?

OCAP is, of course, totally in favour of demanding living wages and adequate social benefits and we are more than happy to see specific cash figures named in this regard. However, rather than buy into a concept with such dangerous attributes as Basic Income, we think it would be far better to work to increase the strength of our unions and movements and unite around concrete demands for free, expanded and accessible public services. When it comes to income support systems, we should fight for adequate income, full entitlement, expanded supports and an end to austerity based restrictions and moral policing. As always, it comes down to what can be won in struggle and the notion of a social policy end run around this harsh fact of life is simply not rooted in reality. •

It would be far better to work to increase the strength of our unions and movements and unite around concrete demands for free, expanded and accessible public services.

# Basic Income: Progressive Dreams Meet Neoliberal Realities

# John Clarke

Up until now, the concept of Basic Income (BI) has enjoyed a greater history of being proposed than of being implemented. We may well be approaching a period, however, when this changes. The Ontario Government is holding consultations 18 on setting up a BI pilot project. The Legislature in another Canadian Province, Prince Edward Island, has agreed to test out a version of BI. 19 Pilot projects are also impending in Finland, 20 the Netherlands 21 and Scotland. 22

Basic Income has been suggested in an exceptionally wide range of forms, often with completely different objectives in mind. In fact, we can draw a line between the models that are concerned with improving lives and raising living standards and those that are focused on intensifying the capacity for capitalist exploitation. Among those in the 'progressive' category there is considerable diversity. There's the 'universal demogrant' that provides an income to everyone and the concept of a 'negative income tax' involving some level of means test. BI proposals come from liberal quarters that are responsibly redistributive, reduce poverty and inequality and ease up on bureaucratic intrusion. The above mentioned proposal for an Ontario pilot project would be part of this camp. Then there are the models that have more radical, transformative objectives in mind. These suggest that BI could be used to take from employers the power of economic coercion itself by severing the link between work and income.<sup>23</sup> Often such ideas are tied to the notion of preparing for sweeping technological displacement and a 'workless future' by providing secure, adequate and unconditional income. Given the vast extent to which forms

<sup>18.</sup> files.ontario.ca/discussionpaper\_nov3\_english\_final.pdf.

<sup>19.</sup> cbc.ca/1.3884964.

<sup>20.</sup> independent.co.uk/news/world/europe/finland-universal-basic-income-ubicitizens-560-euros-monthly-job-poverty-unemployment-a7492911.html

<sup>21.</sup> theatlantic.com/business/archive/2016/06/netherlands-utrecht-universal-basic-income-experiment/487883

<sup>22.</sup> ind.pn/2jz4sJN

 $<sup>23.\</sup> basic in come can ada. or g/the\_link\_between\_work\_and\_pay\_and\_the\_value\_of\_unpaid\_work$ 

of unpaid labour are performed by women in this society, it is hardly surprising that there are also feminist arguments<sup>24</sup> for BI.

I have to say that the one really common thread that I see running through all of the notions of a progressive BI is that they pay great attention to explaining how nice their systems would be but give little if any thought to the concrete prospects of implementation. Before looking further at these deficiencies and proposing an alternative approach, it might be useful to consider more seriously the neoliberal version that is hanging like a sword over all our heads.

#### **Neoliberal Vision**

The deeply reactionary ideas of Charles Murray<sup>25</sup> have extended to some very sinister proposals for BI. There are two basic elements that shape his system. Firstly, the universal payment, after the compulsory purchase of private health insurance, is set at the dreadfully low amount of \$10,000 a year. Secondly, he is utterly insistent that all other systems of provision must be dismantled as a BI is put in place. Canada's right wing Fraser Institute, recently used its blog<sup>26</sup> to stress the same points as Murray, making clear that the level of provision must not interfere with the supply of low waged workers.

If governments today, as they intensify the neoliberal agenda, are starting to consider the possibilities of BI, I see three factors at work. Firstly, there is the not unimportant issue of legitimacy. Particularly because they are being provided with a generous amount of 'progressive' cover, they are able to present their deliberations on BI as a responsible weighing of the common good. The Ontario Liberals stand out as international champions in this regard. Their BI pilot project consultations, have enabled them to put in place yet another round of fake dialogue, with the empty promise of a "better way" diverting attention as they push people even deeper into poverty. The World Bank their austerity agenda and its devastating impacts and the IMF have been worrying out loud<sup>27</sup> about the backlash against their austerity agenda and its devastating impacts. That IMF economists are themselves musing about BI,<sup>28</sup> is perhaps significant in this regard. It advances their agenda but can be dressed up to look

 $<sup>24.\</sup> critical legal thinking.com/2016/08/22/feminist-case-basic-income-interview-kathi-weeks$ 

<sup>25.</sup> wsj.com/articles/a-guaranteed-income-for-every-american-146496956.

<sup>26.</sup> fraserinstitute.org/blogs/be-cautious-about-ontario-s-basic-income-plan

 $<sup>27.\</sup> the guardian. com/business/2012/jan/20/austerity-warning-international-monetary-fund$ 

<sup>28.</sup> basicincome.org/news/2016/09/1302

progressive. It may be the best thing for the institutions of global capitalism since the myth of 'poverty reduction'.

The second element of BI that I think is of interest to the architects of neoliberalism is that it can fine tune economic coercion as they create an ever more elastic workforce based on the most precarious forms of employment. The income support systems that emerged out of the Poor Law tradition, stressed intense restrictions and moral policing. Along with horribly inadequate benefit levels, this has been very useful in driving people into low waged work to an unprecedented extent.<sup>29</sup>

It may, however, be time to rethink this to a degree. If people are moving between poverty wages and poverty level benefits more frequently in a precarious job market, perhaps they can be more effectively prodded into the worst jobs with less intrusive benefit systems. A less rule bound delivery of poverty income, that gives people a chance of retaining their housing, may be needed to keep them job ready. Linked to this, of course, is the huge boost to the employers of a BI system that constitutes a form of wage top up. Provided the payment is meagre, it will not impede the flow of low paid workers but it will mean that their employers receive a subsidy that absolves them from having to pay living wages or come under pressure to increase the amount they do provide.

Thirdly, the great advantage of neoliberal BI is that the inadequate and dwindling payment it provides turns those who receive it into customers in the marketplace. In my opinion, BI would be far from the best way to strengthen the social infrastructure at any time but in the context of an intensifying agenda of austerity and privatization, it is a recipe for disaster. It's about the commodification of social provision. Your payment may actually be less conditional and somewhat larger but, as you shop through the privatized remains of the social infrastructure, with inadequate means and very few rights, you are dramatically worse off. That, in my view, is what is being prepared by those who will actually implement a system of BI and the hopes and wishes to the contrary of its progressive advocates don't count for very much.

## **Progressive Dreams**

I said previously that proposals for redistributive or transformative models of BI are generally marked by a tendency to focus on the desirability of what is being advanced while paying much less attention to actual prospects for implementation. I've yet to see, quite bluntly, any serious attempt to assess what stands in the way of a progressive BI and what can be done to bring it into existence. It simply isn't enough to explain how just and fair a given model would be if it could be adopted. In order to credibly advance BI as the solution, there are some questions that must be settled.

Firstly, income support systems came into being because, while employers welcome an oversupply of labour and the desperation that comes with it as something that boosts their bargaining power, the total abandonment of the jobless creates social unrest. Some measure of income support, provided as a reluctant concession, has proved to be necessary. However, the systems of provision that have been put in place have always been as inadequate as possible so as to undermine employer strength as little as possible. A widely delivered or even universal adequate payment would greatly tilt that balance back the other way. What reason is there to think that this is likely to be implemented?

Secondly, over the last several decades, concessions made during the post war years have been taken back. Trade unions have been weakened, workers' rights undermined and low waged work has increased considerably. The degrading of income support systems has been central to creating the climate of desperation needed to achieve this. Not only have benefits for the unemployed been attacked but other systems, especially for disabled people have been undermined so as to generate a



scramble for the worst jobs. This has led to a shift in the balance of forces in society and we are fighting a largely defensive struggle.

Given this very unfavourable situation, in which unions and movements are not in the ascendancy, how can it be supposed that those profiting from the present situation are likely to accept a measure of redistributive social reform that is at least as sweeping as anything put in place during the post war boom? What is the plan to make this happen?

Thirdly, as right wing governments and political parties directly linked to the most reactionary business interests consider BI and set up pilot projects that provide meagre payments and focus on how to ensure people on social benefits become low waged workers, what reason is there to imagine that a progressive BI, rather than the neoliberal variant, is being cooked up?

Regardless of these issues, it is sometimes asserted that an adequate system of provision must be put in place simply because we are moving toward a "workless future." In such a society, it is suggested, masses of people who have been displaced will have to be provided for and the capitalists will have to think like Elon Musk, of Tesla Motors and support BI because it is the only sensible and rational solution. To imagine such responsible provision for the future is to place undue faith in a system based on the making of profit. If they won't stop building pipelines in the face of environmental catastrophe, there's little reason to expect them to worry too much about sensible solutions to technological displacement. There simply is no post-capitalist capitalism and no social policy innovation that is going to bring it about.

At a recent panel on Basic Income that I spoke at, the moderator posed a challenge. She accepted that BI might not be a way forward but asked, if that were so, what "bold vision" could be advanced in its place. It's a fair question but a realistic appraisal of what we are up against is still obligatory, even if that has some sobering aspects to it. The great problem that we have is that the neoliberal years have done a lot of damage. The level of exploitation has been increased and working class movements have been weakened. While what we demand and aspire to is very important, the bigger question is what we can win. What's disturbing about the left wing turn to BI is that is seems to think there is a social policy end run around the realities of neoliberalism and the need to resist it. There is no such thing.

# **British Labour Party and BI**

With very good reason, there has been considerable excitement internationally around the Jeremy Corbyn leadership in the British Labour Party. His close ally, Shadow Chancellor, John McDonnell, has been paying some attention to adopting BI, as part of a platform that would express a break with the austerity consensus. McDonnell, from a position on the left of a major social democratic party, raises the possibility of a 'best case scenario' for progressive BI. For that very reason, the question is posed of whether the 'bold vision' I spoke of should be framed around the universal payment concept or devoted to other objectives.

In my opinion, if we are to consider goals we set and demands we put forward in the face of neoliberalism, that are based on the needs of workers and communities and create the conditions for challenging capitalism itself, we sell ourselves well short if we settle for something so limited and inherently conservative as the universal payment. BI, when all is said and done, is a vision for nothing more than the means to be a customer in an unjust society that decides what is for sale. How much

"Basic Income, when all is said and done, is a vision for nothing more than the means to be a customer in an unjust society that decides what is for sale." bolder and more meaningful to fight for free, massively expanded and fully accessible systems of healthcare and public transportation? How much better to focus on the creation of social housing and try to expand it so that, not only the poorest, but most working class people enjoy its benefits? There is universal child care and vast array of important community services to pay attention to. Moreover, we can work to wrest as much power as possible out of the hands of the

mandarins of state bureaucracy and fight to increase the control working class people exercise over the public services they rely on. When it comes to existing systems of income support, we should not for a moment accept their poverty level benefits, bureaucratic intrusion and forms of moral policing steeped in racism and sexism. There is a fight to be taken forward for living income, full entitlement and programs that meet the real needs of unemployed, poor and disabled people, as opposed to the present 'rituals of degradation' they embody. At every point, let's try to ensure that these expanded services are not paid for by other working class people but by forcing the corporations, banks and those who own them to pay by increasing their tax burden and imposing levies on their wealth.

The struggle to expand and improve public services would have to, of course, be linked to workers' struggles for living wages, workplace rights and real compensation for injured workers. Beyond this, let's challenge as much as we can the 'business decisions' that deplete resources, pollute and threaten us with ecological disaster.



I am suggesting that our movements need to challenge, rather than come to terms with, the neoliberal order and the capitalist system that has produced it. For all its claims to be a sweeping measure, the notion of progressive BI is a futile attempt to make peace with that system. In reality, even that compromise is not available. The model of BI that governments are working on in their social policy laboratories will not 'end the tyranny of the labour market' but render it more dreadful. The agenda of austerity and privatization requires a system of income support that renders people as powerless and desperate as possible in the face of exploitation and that won't change if it is relabelled as 'Basic Income'. •

# What Basic Income Means for Disabled People

# A.J. Withers and John Clarke

Disabled people in Ontario are much more likely to experience poverty than non-disabled people. Many have to live on sub-poverty payments under the Ontario Disability Support Program (ODSP) or the even more wretched income provided by Ontario Works (OW). Those that are in this situation are confronted by an ongoing process of surveillance, invasion of their privacy and moral policing. Those disabled people who are working, because of systemic discrimination, are less likely to be receiving living wages and are far more likely to be precariously employed. As anti poverty organizers, we fully understand the anger and desperation that such a situation generates.

On this basis, it is easy to see how, at first glance, there are aspects of a Basic Income (BI) approach that could be found attractive by disabled people. The promise of a somewhat higher payment, provided without the kind of intrusive element that presently exists, would seem to represent a step forward. However, we think it's important to ask why the Liberal Government would suddenly support a new approach that would mean considerably increased costs. Why would a Government that has driven down the adequacy of benefit rates and cut programs for disabled people want to reverse course so dramatically?

BI can look very alluring but we are convinced that, in reality, it will mean a degrading of the already inadequate 'social safety net' that will



make things dramatically worse for disabled people. The Ontario Government's adviser on BI, Hugh Segal, has proposed a pilot project under which a small sampling of people on OW would have their income raised to \$1,320 month. A group on ODSP would be paid \$500 more than they are at present. In both cases, the money would be provided without much of the scrutiny and intrusion people presently have to put up with. There is no doubt that the small number of people who became part of such a project would be better off for as long as it lasted. However, it is unlikely that the Ontario Government will run the test at income levels as high as their advisor suggests. Moreover, while a small minority of people are being tested in this way, over a period of several years, far greater numbers will be living as in deep poverty as before on OW and ODSP. There is also no reason to assume that any Province wide system of BI that was eventually adopted would provide the same income as under the pilot project.

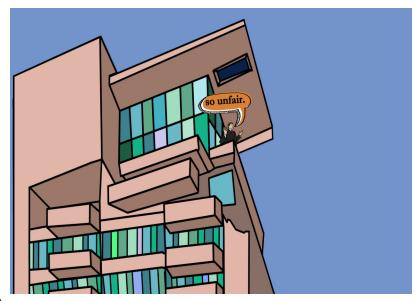
## Why Basic Income?

It seems curious that the Liberals are ready to offer the promise of long term improvement by way of Basic Income while they flagrantly ignore the glaring problems with the existing system of social assistance and other poverty causing factors that they could deal with immediately. Raising social assistance rates and the minimum wage, building more affordable housing, ensuring that homeless people at least had basic shelter, developing free or low costs pharmacare and dental programs, expanding disability related benefits for all low income people and eliminating the long waiting lists for things like attendant care and supportive housing are all things that they could act upon now to make a real difference in peoples' lives. If they won't do things, why should we believe that they want to redistribute wealth and alleviate poverty but way of a system of Basic Income.



The Ontario Liberals have established a long and very ugly record of imposing an agenda of imposing austerity and attacking public services. We might ask ourselves if there is a danger of BI being implemented in such a way as to deepen, rather than reverse, that agenda. During the years of they have been in power, the Liberals have driven down the adequacy of social assistance and, apart from the money this has saved them, this has created a situation where people are more desperate and ready to accept even the lowest paying and most exploitative jobs. By making ODSP ever harder to get onto and, by allowing the rates to fall lower against inflation, they have ensured that disabled people are frequently forced to be part of this scramble for the worst jobs on offer. Indeed the reference to setting up a pilot project that was contained the last Provincial Budget actually stressed that there was a hope that Basic Income could "strengthen the attachment to the labour force." The real danger with a BI system, as it might actually be designed by an austerity driven government, is that it could be a basis for making things even worse.

The right wing U.S. political scientist, Charles Murray, advances a version of BI that calls for a wretchedly inadequate payment of \$10,000 a year to be provided but, Murray stresses, it is essential that this payment replace all the other elements of social provision. At a time of mounting austerity, with public services at acute risk of privatization, this is exactly the way in which BI could further a regressive agenda. Even a payment that is somewhat higher than under the present social assistance rates would still be a step backwards for disabled people and poor people in general if



it was used to justify and increase the attack on public services and other benefits. Things like the Special Diet, medical transportation and the child care benefit might be targeted. What good would a slightly higher payment be if, as part of the new arrangement, people now faced exorbitant costs for things like hearing aids, wheelchairs, prosthetics, medical supplies and respiratory devices? If BI opened the door to such regressive measures, it would lead, not to reduced levels of poverty, but to a very much worse situation.

The kind of Basic Income we might expect the Ontario Liberals to design would turn the social safety net into a tightrope. The network of present systems is undoubtedly inadequate but a system of universal payment would be even more vulnerable to austerity and the impact of allowing it to fall against inflation or of reducing the level of the benefit would be enormous.

For all the talk of a 'no strings attached' system of income provision, governments that are looking at BI or designing pilot projects are very focused on issues of how the system might serve to prod people into low paying jobs. Linked to this, are the old notions of molding poor people into becoming 'productive' conforming workers and consumers. This is why coded language around the reconstruction of people can be found in BI literature. For example, the Manitoba Liberal Party supports the implementation of a guaranteed income on the grounds that it would help in "the building of self-reliant, taxpaying citizens." Similarly, Ontario's report on BI argues that behavioural changes and increased independence are important goals. The old moral assumptions have not really disappeared.

#### **Basic Income and Disability**

There are different ways that a BI could be implemented. The Ontario Report suggests that disabled people get \$500 extra in recognition that the "costs of living with a disability" are higher than those faced by non disabled people. However, this isn't true in the same way across the board. The expenses of someone having to pay the daily cost of a service dog, someone who needs special dietary items, someone who must pay for attendant care, someone who has to pay for ASL interpretation or someone who has to replace a \$40,000 wheelchair are all very different. If BI were used as a pretext to eliminate other systems of support, there are a whole range of needs that different disabled people have that would be placed out of range for them.

Importantly, who gets the disabled top up will revolve around how the

Government defines disability. Lots of those who are disabled will not be accepted as such. The definition of disability is very limited in terms of accessing ODSP and it's likely that the vast majority of disabled people will not qualify for the additional payment under a BI system. Governments are presently working to narrow the concept of 'disability' and the introduction of a new income support system would likely offer an opportunity to take that further.

#### **Imagining the Future**

Right now, we are being told that we are at a crossroads and there are two possible futures. One in which things remain the same with inadequate social assistance rates and rampant poverty or one in which everyone gets a BI payment at 75% of the poverty line in Ontario, making it supposedly easier to escape from poverty altogether. The second, BI future will require study, public consultations and several years to put into place but

The government could make the system fair and respectful and expand benefits to all disabled people but it chooses not to. we are told it's the best possible outcome.

One of the main arguments for BI is that social assistance is deeply flawed: the rates are too low and it is punitive and degrading. However, it isn't necessary to pin hopes on BI to fix these things. The Government could raise social assistance rates to decent levels but it has made the deliberate choice to perpetuate the suffering of the poorest people in Ontario. The

Government could eliminate the policies and structures that make social assistance so punitive. It could make the system fair and respectful and expand benefits to all disabled people but it chooses not to.

A lot of people who promote BI have very good intentions. This isn't the case, however, for Kathleen Wynne's Liberals and other governments that are investigating BI. They intend more cuts and to increase pressure on people to scramble for the worst jobs. Rather than pin our hopes on the flawed concept of BI, so easily implemented in ways that further a regressive agenda and harm disabled people, we suggest fighting for adequate income, living wages, improved, expanded and accessible public services and income support systems that are adequate and free of surveillance and moral policing. This won't be won by trusting governments to do the right thing but through strong collective struggle. •

# Intentional Neglect or Callous Oversight?:

# How 'Progressive' Basic Income Proposals Fail Migrants

# Yogi Acharya and A.J. Withers

In the debate around the pros and cons of basic income, the implications for immigrants are seldom discussed. This omission, whether intentional or a product of indifference, is particularly glaring in progressive pro-Basic Income (BI) literature where the term "citizen's income" is often used synonymously. Taken together, a troubling picture emerges of what is imagined for basic income and who is to be included within it. While basic income is often promoted in the name of social justice, we will demonstrate that this vision is flawed and excludes migrants – which we argue is both profoundly unjust and works to reinforce the white supremacy and class hierarchies that are foundational to the Canadian state.

Globally, the predominant driver of migration continues to be poverty and war. Growing income inequality fuelled by neoliberal capitalism and ever-expanding wars are driving record numbers of people away from their homes. Historical forces have shaped the world such that a sizable amount of this migration is heading to the global north. The same forces have also created immigration systems to control migration, and by extension, migrants themselves. This control has taken the form of forcing migrants to work in precarious conditions for low pay and with few legal protections. A key mechanism of exerting this control has been the introduction of a tiered system of rights and privileges.

In Canada, this takes of form of the classification of migrants based on their mode of arrival. There are permanent residents, temporary foreign workers, refugees, and students. There are also those who are denied any legal status, and forced to become undocumented. Each category has a different set of rights and legal protections. Permanent residents are closest to citizens in their grant of rights and legal protections whereas undocumented residents are afforded virtually none of either. While there exists some mobility between the categories, the process is expensive and convoluted, often taking years, and in some cases, there is no mobility at

all. Trends in immigration policy demonstrate a shift toward keeping an increasing percentage of migrants from obtaining permanent residency, and by extension, citizenship. For example, over the past decade and a half, when Canada increased its intake of immigrants, the greatest expansion – a three-fold increase – was in the category of temporary foreign workers. The clear motivation for these policies, despite often being couched in xenophobic rhetoric, is the need to create a flexible business-friendly labour market. Given this context, and Canada's reliance on immigrant labour for its economic and population growth, it is imperative that we assess what the introduction of basic income means for migrants.

#### **Universal Benefit?**

Basic income is generally imagined by its progressive proponents as a universal benefit - meaning that everyone would get it regardless of their circumstances. In the means-tested version, it is proposed that anyone who falls below a certain income level would qualify. Comparisons to existing universal programs such as healthcare, Old Age Security (OAS), Guaranteed Income Supplement (GIS), and the Canada Child Benefit (CCB) lead proponents to argue that basic income would be a replication of such programs. It's important to examine the presumed universality of these programs for two reasons. Firstly, BI proponents typically assume the same number of people who access existing benefits should be eligible to access basic income. Secondly, existing universal benefits aren't truly universal: not all residents of Canada have the same level of access to them. Migrants often have restricted access to, or are excluded from 'universal' programs. For instance, taxes paid by temporary foreign workers support OAS, GIS and CCB but they can seldom access them. The same applies to their contributions to Canada Pension Plan and Employment Insurance. When it comes to healthcare, temporary foreign workers are only eligible if they continue to have a job. Many permanent residents can't access OAS and GIS until they have lived in Canada for at least 10 years and in some cases double that time. 30 Furthermore, they must continue to meet residency requirements, not applicable to citizens, in order to maintain their immigration status, and with it, their grant of rights, benefits, and protections. Undocumented residents, who make up

<sup>30.</sup> Government of Canada. "Old Age Security-Eligibility," Program descriptions. Government of Canada, June 23, 2016; Government of Canada. "Guaranteed Income Supplement - Eligibility," Program descriptions. Government of Canada, August 11, 2016; Canadian Centre for Policy Alternatives. "Delivering the Good: Alternative Federal Budget 2015," Ottawa, 2015

as much as 1.4% of Canada's population,<sup>31</sup> are not eligible for any benefits or health coverage.

The so-called 'universal' access is generally implemented along citizenship lines. That's why, writing about the creation of Canadian welfare state, Sunera Thobani says that "access could certainly have been organized along different principles [other than citizenship], and with different eligibility criteria, had there been a commitment to ensure that this access became truly universal."<sup>32</sup> In other words, citizenship criteria for social programs works to disproportionately exclude racialized immigrants. Uncritically continuing to apply universal benefits in this way maintains this white supremacist pattern.

Progressive proponents of basic income fall into this line of thinking. Most simply don't think about migrants, or don't mind continuing the status quo of differential access (including complete exclusion in some cases) for millions of people, when designing their proposals for basic income. Consider this pitch by Dr. Danielle Martin, one of the leading proponents of basic income in Canada:

"Taken together, the Canada Child Benefit, Old Age Security, and the Guaranteed Income Supplement essentially offer a Basic Income Guarantee to around onethird of the Canadian population. What is left now is to close the gap so that every Canadian can be protected from the health effects of poverty." 33

It seems clear that the presumed pragmatism of this version of BI relies heavily on continuing existing patterns of exclusion in society. It is incomprehensible to us then how social justice is so frequently used as the justification for basic income when so many people, the vast majority of whom would be poor people of colour, would either fare no better, or more likely, be worse-off. In their struggle to "achieve a post-work society," proponents of basic income either fail to consider or accept the fact that some people – migrants – will still have to work, often in the underpaid and poor conditions they are forced to work in now.

31. As many as 500,000 non-status migrants in Canada. Shahzad, Zohaib. "Immigrants with Precarious Migratory Status and Universal Healthcare Access," Extra Newsfeed. February 25, 2017. Population of Canada in 2016: 35.2 million. Statistics Canada. 2017. "Canada at a Glance 2017 - Population" Statistics Canada. March 31.

32. Sunera Thobani, Exalted Subjects: Studies in the Making of Race and Nation in Canada, Toronto: University of Toronto Press, 2007, p. 139.

33. Martin, Danielle. Better Now: Six Big Ideas to Improve Health Care for All Canadians, Penguin, 2017: p. 205.

34. Miles Krauter and Carter Vance, "Working to Death: Leftist Critiques of Basic Income Fail to Offer Meaningful Alternatives," Medium, June 3, 2017.

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### **Basic Income and Migrants**

To illustrate the points above, let us consider a few instances where basic income proponents actually talk about migrants. Owen Poindexter, host of The Basic Income Podcast assured listeners anxious about a migrant influx following the implementation of basic income that BI could be designed such that immigrants couldn't get it for a very long time and their children, even if born in the country, couldn't get it until they were 18 years old. 35 Similarly, James Davis, writing a guest post for the Basic Income Earth Network (the only post we could find on that website that dealt with immigration) also proposes a callous and unjust BI approach when it comes to migrants in the United States: copying the existing social assistance rules. This would be useful, he argues, "to alleviate concerns that noncitizens would take advantage of the UBI: as it stands now, non-citizens receive substantially less welfare transfers than their citizen counterparts."36 Because of anti-immigrant sentiments and white supremacy, both Davis and Poindexter argue that BI can be designed to ensure less or no eligibility to BI for migrants.

At best, migrants are an afterthought. Krauter and Vance describe basic income as a program in which "the government would ensure, either by a direct payment or a top-up in the tax system, that all *citizens* (in some plans, certainly those proposed on the left, this would be extended to include refugees and permanent residents) not fall below a certain level of income per year."<sup>37</sup> It's evident that the primary recipients of a basic income are envisioned as citizens, with only a perfunctory acknowledgement calling for the consideration of permanent residents and refugees.

One important exception to the dearth of acknowledgement of the impact on, let alone existence of, migrants, can be found in Guy Standing's work. He argues that basic income is necessary for migrants who are both the victims and "the light infantry of global capitalism." He makes the case that there has been an upturn in anti-migrant backlash because of the increasingly flexible and precarious labour market which replaces non-migrant labour with less expensive and more vulnerable migrant labour.

<sup>35.</sup> Jim Pugh and Owen Poindexter, An Overview of the Basic Income, The Basic Income Podcast, n.d.

<sup>36.</sup> James Davis, "Reconciling UBI with Immigration Concerns," Basic Income Earth Network, September 21, 2016.

<sup>37.</sup> Krauter and Vance, "Working to Death," emphasis added.

<sup>38.</sup> Guy Standing, *The Precariat: The New Dangerous Class*, Revised (London: Bloomsbury, 2011), p. 192.

Standing argues that existing needs based social assistance programs have "probably done more than anything to fan resentment of migrants and ethnic minorities." He maintains:

"A social insurance-type system based on entitlements gained through labour based contributions rewards those who have been in the system for a long time. If benefits and access to social services are determined by proof of financial need, then those who have contributed will lose out to those, such as migrants, who are demonstrably worse off. For the withering 'working class', this is perceived as unfair." <sup>39</sup>

We certainly agree that the neoliberalization of the economy has been bad for the working class<sup>40</sup> and that this "process is systemic, not accidental." But Standing provides an ahistorical explanation of the backlash against migrants. He fails to position it within the long history migrant scapegoating and racist immigration policies. There are many problems with needs based social assistance, including that they have overly restrictive eligibility criteria and low entitlements. However, Standing's argument that social assistance whips up anti-migrant fervor is both convenient and flawed.

Standing's solution to the racism and anti-migrant hatred that people face is, unsurprisingly, basic income. However, he suggests no mechanism for undocumented people to move into the formal economy without facing the risk of deportation. This can only happen in conjunction with a sweeping regularization program – which Standing doesn't call for.

Universal Basic Income (UBI) also poses another problem – one shared by all universal policies. 'Universal' entitlements fail to accommodate a diverse population with diverse needs. Iris Marion Young argues that universalist policies are:

"... not likely to undermine persistent structural group differences, and often reinforce them... Thus, to remove unjust inequality it is necessary explicitly to recognise group difference and either compensate for disadvantage, revalue some attributes, positions or actions or take special steps to

<sup>39.</sup> Ibid., p. 177.

<sup>40.</sup> Although we disagree with Standing's definition of the working class.

meet needs and empower members of disadvantaged groups." $^{41}$ 

Even the most well-intentioned policies can spur inequality and entrench relative inequality. Relative inequality is the difference between how well off one group is in relation to another. Immigrants in Canada make, on average, \$233 a month less than people born in Canada.<sup>42</sup> Racialized immigrants, especially racialized immigrant women, make far less than white immigrants.<sup>43</sup> Without actually dealing with this systemic wage gap, universal benefits leave these disparities intact.

Proponents of basic income argue it will be a force for social justice. However, as our analysis demonstrates, the claim is without merit since BI proponents fail to adequately address the implication for migrants. At best, their proposals fail to comprehend the divisive and exclusionary role of the immigration system, resulting in proposals where the inclusion of some migrants is mere rhetorical flair. At worst, their plans bear a troubling resemblance to the xenophobic vision of the right in their attempts to dissuade and curtail migration. Between these two poles are those who simply don't factor migrants into their plans for BI; this is a profound oversight and they cannot be as progressive as they claim. Furthermore, universal benefits impact marginalized communities differently and risk entrenching the social inequalities of capitalism. A UBI will be more unjust for some groups than for others. We reject the notion that social justice can ever be won for any of us without winning it for all of us, including migrants. This is one of the many reasons we reject the basic income. •

<sup>41.</sup> Young, Iris Marion. "Structural Injustice and the Politics of Difference." In Social Justice and Public Policy: Seeking Fairness in Diverse Societies, edited by Gary Craig, Tania Burchardt, and David Gordon. Bristol: Policy Press, 2008: 81. 42. Smith, William C., and Frank Fernandez. "Education and Wage Gaps: A Comparative Study of Immigrant and Native Employees in the United States and Canada," Program for the International Assessment of Adult Competencies, 2015. 43. Block, Sheila and Grace-Edward Galabuzi. Canada's Colour Coded Labour Market: The Gap for Racialized Workers, Ottawa, Ont.: Canadian Centre for Policy Alternatives and Wellesley Institute, 2011.

# The Neoliberal Writing on the Wall: Ontario's Basic Income Experiment

### John Clarke

Since 2010, the UK has endured a political regime that can be considered a cutting edge of the austerity agenda. Through the film, *I, Daniel Blake*, people around the world have become familiar with the institutionalized cruelty of the Country's warped system of providing social benefits to those in need.

To those who endure sub-poverty misery, the humiliating intrusion of the Work Capability Assessment (WCA) and the ever present threat of the sanctions regime, the conclusion that anything must be better than the present set up is an easy one to arrive at. Disabled people who deal with a state bureaucracy that labels them scroungers and seeks at every turn to abandon them, can be forgiven for concluding that no alternative to the status quo could possibly be worse than that which they face today. The sheer brutality of the regime operated by the Department for Work and Pensions (DWP) can only make the notion of a secure and adequate system of universal income, freed of bureaucratic intrusion and moral policing, extremely alluring. This does much to explain the high levels of receptiveness to the notion of a Universal Basic Income (UBI).

In the UK, Basic Income (BI) is being considered in the context of a political break with the austerity consensus and the posing of an alternative to the agenda that flows from it. BI pilot projects have been called for in Fife and Glasgow and the Labour Party has established a working group to prepare a proposal on the concept, with a view to its being adopted as policy. Shadow Chancellor of the Exchequer, John McDonnell, is very much behind this development. The emergence of a left leadership in the Labour Party and all the gains that it has made is looked to internationally with huge respect and admiration and there is a great deal of moral authority attached to the social policy proposals that it advances. For that very reason, a critical look at the implications of the basic income approach to reshaping systems of social provision is of particular importance. Very frankly, I must argue that it would be a profound mistake for the Labour Party to take that direction and, as an

organizer with the Ontario Coalition Against Poverty (OCAP), dealing with an attempt to develop a decidedly neoliberal local brand of BI, I'm going to set out my case for this position.

### **Basic Income Left and Right**

Before talking about the specifics of the emerging experiment with BI in Ontario, let me offer some observations on the general notion. Notwithstanding the fact that BI advocates will frequently present the idea as something that transcends political divisions between left and right, there is a wide acknowledgement it can be proposed in regressive or progressive forms. A version that furthered neoliberal austerity would hinge on the inadequacy of the payment. Some right wingers accept universal entitlement, while some liberal or social democratic thinkers



accept restricting it to those on low incomes but the neoliberal brand is always focused on preserving and enhancing economic coercion. Simply put, the payment must not impede the flow of workers into low wage precarious jobs and, indeed, it should function as a de facto wage top up for low paying employers. With wages partly paid out of the general tax revenues, pressure to increase minimum wages would be greatly reduced. Furthermore, the regres-sive wing of BI advocacy is most insistent that the envisaged payment would replace, rather than augment, other forms of social provision. In this regard, the notorious U.S. political scientist, Charles Murray, sets out a particularly chilling vision and this has been echoed by the Canadian Fraser Institute.

The more hard-line left wing approaches to BI absolutely insist on the universality aspect but all progressive proposals are clear that the payment must be adequate. It must, in and of itself, ensure that basic needs and social participation are within the means of those receiving it. Indeed, given the frequent connection that is made to providing for those who are technologically displaced from their jobs, adequacy at this level is the essential consideration. An actual ability to withdraw painlessly from participation in the capitalist job market is envisioned.

The problem with such ideas is that they take no account of how essential to capitalism a level of economic coercion is and give no thought to the societal balance of forces or the practical prospects of obtaining their goal of a UBI. After several decades of neoliberal austerity, with trade unions greatly weakened and social resistance hardly at peak levels, the prospects for major social reforms are not that good. However, a truly adequate, universal payment that freed millions of workers from the 'tyranny of the labour market' would be more than a reform. It would really be a question of the State handing over an unlimited strike fund and, as Pam Frache argues, "Simply put: no capitalist state will provide workers with the resources to go on indefinite strike."

In an interesting blog piece, Paul Cockshott, in addition to looking at the potential costs of a UBI system in the UK, points out that the embrace of the idea reflects defeat and disorientation on the left. The hope of a social policy solution to the problems created by neoliberalism and the attacks associated with it is profoundly dangerous because that very 'solution' can so readily assume a form that furthers the very agenda that left BI advocates hope to escape. The institutions of global capitalism are taking an interest in Basic Income and the Davos crowd are even considering it. In Finland, a government that is moving in decidedly neoliberal directions suddenly assumes interest in BI and puts in place a test run that should

alarm us. But let's now turn to the model that is emerging here in Ontario and the warning it offers us on just the kind of directions BI can be taken in.

### Ontario's BI Test Run

Like other so called BI pilot projects, the one in Ontario is an imposter. I say this because it isn't actually testing Basic Income. It's really testing poor people. BI is a social policy that would be implemented across an entire political jurisdiction and that would have particular impacts on the society and its population. No such test is being undertaken in Ontario. The Government is simply going to provide enough income to a sampling of 4,000 poor people to make them a bit less poor and the predictable result will be that most of them will be a bit better off. So, the first thing we should note is that all of the focus on studying 'outcomes' is a cynical diversion that tells us nothing about the implications of BI as a neoliberal policy tool.

People who may not be very familiar with the situation in Ontario, need to understand the context in which this pilot emerges. Under the federal system that exists in Canada, the governments of its provinces and territories have the greatest amount of decision making power when it



comes to social benefit systems. In Ontario, we have a Liberal Government that has held power since 2003. Unlike the UK, where the Liberals went into a state of faded glory between the wars, their Canadian counterhave remained parts front line contenders for political power. function as a slightly nicer alternative to the

Tories but can be trusted to manage things in a way the rich and powerful will find entirely to their liking. You might say they are what Tony Blair intended the Labour Party to be. Over the last fourteen years, the Ontario Liberals have allowed people on social assistance to get even poorer than they were when the Tories held power but they have perfected the art of always appearing like they are about to address the problem. They have held round after round of 'poverty reduction' consultations even as the scale and depths of poverty increased. The Basic Income pilot is, for them,

a political windfall that enables them to go on promising jam tomorrow while providing nothing today. Nearly a million people on social assistance, many of them disabled, will have their incomes kept well below the poverty line while a lengthy study of 4,000 people on the BI pilot unfolds.

While the pilot is largely motivated by the Liberal Government's desire to keep people on social assistance in poverty, while shoring up their progressive credentials, it is also an experiment in designing a neoliberal model of Basic Income. The little brochure that announces it is rather thin on details but a memo sent out within the Canadian Union of Public Employees (CUPE), Ontario Division and other information OCAP is party to on a confidential basis, gives us a fair sense of what is being cooked up.

Some 2,000 people, in three parts of Ontario, will be provided with BI payments over the next three years, with approximately the same number as part of a 'control group' who will not get that income. A separate pilot will run in a selected Indigenous community. Their income will be set at around 75% of the Low Income Measure, with an extra payment for disabled people. 70% of those who are tested will be low waged workers and earned income will be deducted at a rate of 50%. As in Finland, while the pilot is means tested, the income will be provided with far fewer conditions attached to it than under present benefit systems. In my view, those in the neoliberal driving seat are happy to ease up on some of the bureaucratic intrusion precisely because they have been sufficiently successful in creating a scramble for low wage precarious work and simply don't need it to the same degree. What they are more concerned to do is to extend income support to those on low wages in order to, in effect, provide employers with a subsidy, paid for out of the general tax revenues. The amounts provided under the pilot are clearly inadequate enough that no one would be free of the 'tyranny of the labour market' and the supply of low wage workers would be preserved. Indeed, a more widely applied BI system might well pay an even lower amount.

The above cited CUPE Ontario memo gives an indication of a very striking feature of the pilot. While people will face fewer conditions, many will also lose supports and services they currently rely on. People presently on social assistance who go onto the pilot will no longer have caseworkers and will be expected to 'self navigate' when it comes to accessing sources of assistance they would previously have obtained with the help of those workers. Moreover, a whole range of supplementary benefits will be lost, such as the Special Diet that provides additional income on the recommendation of medical providers. Medical transportation assistance and mobility devices will also become the responsibility of those who shift

to the pilot. Disabled people, especially, might find, despite the additional BI income, that they are actually far worse off than if they had stayed on the Ontario Disability Support Program (ODSP).

The point that emerges here is that even as they roll out their showpiece test run that provides income to just a few thousand people and enables them to be far more generous than they would be if they were setting up a widely available programme, they are cutting back on other entitlements. I think it's clear that the Ontario Liberals are establishing a model for a low paying, means tested income support system that is primarily concerned with subsidising low paying employers and that would be paid for by cutbacks in other areas of social provision.

#### Left Welcome Mat for Neoliberal BI

Predictably, the Basic Income Canada Network sounds no alarm on the nature of the Ontario pilot and, indeed, will take an entirely supportive approach. The pattern has already been set among many progressive BI advocates is to present neoliberal models as 'good first steps.' In the UK, the advisor to the Labour Party BI working group is Guy Standing from the Basic Income Earth Network. He had contact with the Ontario Government's BI advisor, helped the Finnish Government design its pilot and has presented to none other than the World Economic Forum at Dayos.

As a regressive form of Basic Income, serving and facilitating the neoliberal agenda, is prepared, the deluded notion emerges that a progressive option is there for the taking. It is never really explained how this can happen but is simply taken on faith and I use that word very



deliberately. Once it has been accepted that decades of neoliberalism and, indeed, the economic coercion of the capitalist job market can be neutralized with what Miles Krauter refers to as "emancipatory policy visions," then the realities of a class struggle that has not been going our way for some time seem very unappealing. Like Krauter, the Citizens' Income Trust in the UK feels that a failure to believe that transformative BI can happen is to lack vision and to fail to offer any viable alternative. However, while the Fountain of Youth does sound a good deal better than dealing with getting old, it suffers from the problem of not existing.

The folly of believing that there is a social policy end run around neoliberal attack can't be overstated. John McDonnell has suggested that a Labour Government could implement reforms that would outdo those put in place by the post war Attlee Government and "transform capitalism." As Theresa May's wretched regime stumbles from crisis to humiliation, people all across the world are asking what can be achieved by a Corbyn led Labour Party. However, it seems to me that a policy that commodifies social provision, accepts low wages while topping them up out of tax revenues and that has the support of such reactionary forces globally, is far short of *The Spirit of 45*.

We've been retreating, rather than achieving reforms, for some decades but, if we are to consider the kind of measures that could be advanced and that working class people could mobilize to win, we can do better than become shoppers in the neoliberal market place. We can demand free, universal and accessible public services and fight for maximum worker and community control over them. We can demand systems of income support that are based on full entitlement, adequate income and that are purged of intrusive regulations and moral policing. We can fight for living wages, instead of offering subsidies to those who pay poverty wages. The neoliberal attack is taking up Basic Income as a weapon. We need to fight it instead of laying down a welcome mat. •

# THE NEOLIBERAL DANGER OF BASIC INCOME

### **OCAP**

We have drawn up the following statement on basic income (BI). It makes the case that, progressive hopes to the contrary notwithstanding, BI is being developed as a measure of neoliberal attack that should be opposed. We invite progressive organizations and individuals who hold positions in agencies and academic institutions, who agree with our arguments, to sign onto the statement. We hope that it will raise a voice of opposition and help develop information sharing and forms of co-operation among those, internationally, who reject the notion that basic income represents any kind realistic response to the neoliberal attack.

We, the undersigned, are convinced that the emerging model of basic income, reflected in pilot projects and other initiatives in a number of countries and jurisdictions, is one that would intensify the neoliberal agenda. The hope that there is any realistic chance of ensuring a truly adequate, universal payment, that isn't financed by undermining other vital elements of social provision, is misplaced in our view.

We are far from wanting to suggest that existing systems of income support are anywhere close to adequate. They provide precarious sub poverty income under conditions that are marked by intrusive regulations and forms of moral policing. Moreover, decades of neoliberal austerity have made these systems considerably worse.

However wretched and inadequate present systems may be, the assumption that basic income must or even could be an improvement on the status quo has to be tested by considering a number of factors. Historically, income support has been provided because those in political power concluded that outright abandonment of those not in the workforce would create unacceptably high levels of unrest and social dislocation. In the far from dead tradition of the English Poor Laws, income support has been provided at levels that were low enough to maintain a supply of the

worst paid workers, in forms that were as punitive and degrading as possible. Again, the neoliberal years have seen these features intensified in what we must concede has been a highly effective drive to create a climate of desperation and a plentiful supply of low paid and precarious workers.

If austerity driven governments and institutions of global capitalism are today looking favourably at basic income, it's not because they want to move towards greater equality. reverse the neoliberal impact and enhance workers' bargaining power. They realize that a regressive model of basic income can be put in place that provides an inadequate, means tested payment to the poorest people outside of the workforce but that is primarily directed to the lowest paid workers. This would be, in effect, a subsidy to employers, paid for out of the tax revenues and it would be financed by cuts to broader public services. Such a model would lend itself to disregarding the particular needs of disabled people and, as a "citizen's income," could readily be denied to many immigrants, especially those left undocumented. Under such a system, you would shop through the rubble of the social infrastructure with your meagre basic income. The kind of pilot projects and other



initiatives that are emerging offer severe warnings in this regard (we include some links that provide information on several of these on our website ocap.ca/?p=1341).

However, some suggest that while regressive models could be developed and may pose a danger, a progressive and even "emancipatory" form of basic income is possible and realistic as a goal. Often, this is linked to the idea of preparing for a "workless future" in which vast numbers of technologically displaced workers can be provided for. The notion is that a universal payment would be provided unconditionally and that it would be adequate enough so that paid work, if it were an option, would be a matter of choice rather than necessity. While there are a few who suggest this could be won through large scale social action, advocates for a progressive basic income more often seem to assume that capitalist support and acceptance by the state can be won by way of a vigorous lobbying effort.

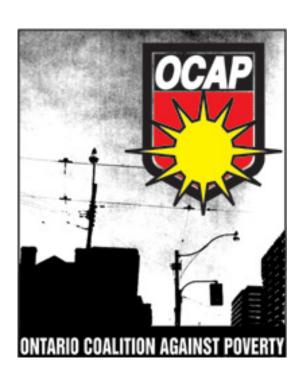
In our view, a truly adequate and redistributive, let aside transformative, basic income is not possible within the confines of the current economic system. Firstly, the present balance of forces in society, after decades of neoliberalism, does not lend itself to the conclusion that a sweeping measure of social reform, that would reverse this whole agenda, is immediately likely. Beyond this, however, an income support system that removed economic coercion in a way that progressive basic income advocates suggest, would be more than turning back the neoliberal tide. It would actually mean that the state was providing the working class with an unlimited strike fund. It would undermine the very basis for the capitalist job market. It would constitute social transformation, a revolutionary change that is, to say the least, beyond the capacity of any possible social policy enactment.

If basic income as emancipation is not possible, it can only too easily take form as neoliberal intensification. Yet, sadly, progressive advocates end up offering legitimacy to that regressive alternative but placing hopes in musings about basic income by Silicon Valley billionaires or by presenting cynical pilot projects, set up by austerity driven governments, as flawed but important first steps. However much they wish otherwise, the sow's ear will not become a silk purse.

If faith in a progressive basic income is misplaced, we wish we could offer a shining and readily attainable alternative but this is not possible. We are largely fighting a defensive struggle against a virulent agenda to undermine social provision and increase the rate of exploitation. We can only offer the hard slog of building stronger inclusive movements of social resistance, rejuvenating unions and building a working class political challenge to neoliberalism. As we do this, we must fight for free, expanded and accessible public services. We must win decent wages and workers' rights. We must struggle for income support systems that are based on adequacy, full entitlement and that are purged of intrusive rules and moral policing. We must infuse all of these

We must fight for free, expanded and accessible public services. We must win decent wages and workers' rights. movements and struggles with a sense of a very different kind of society from the capitalist one we are fighting. This doesn't have the glitter of the dream of a progressive basic income but it does accept that reality that there is no social policy way around neoliberalism or a long and hard fight against it. The progressive welcome mat for basic income is a very big mistake. •

Endorsements and other responses can be directed to us at ocap@tao.ca or (416) 925-6939.



# Further Suggested Readings

Here is a selection of some other sources that oppose or raise important criticisms of basic income from a left perspective.

1. David Bush has prepared an excellent collection of articles, grouped according to category.

hammerhearts.wordpress.com/2017/04/29/basic-income-a-critical-reader

- 2. At its 2017 Convention, the Ontario Division of the Canadian Union of Public Employees (CUPE) passed an excellent resolution (No. 89) on basic income. See also the position taken the Ontario Public Service Employees Union (OPSEU) that is included in David Bush's selection. cupe.on.ca/wp-content/uploads/2017/02/RESOLUTIONS-CA-2017-DRAFT.pdf
- 3. Though hardly a left or progressive source, the Organization for Economic Cooperation and Development (OECD) has issued a paper on BI that provides some interesting material on how much the policy would cost, if it were to even begin to play a redistributive role. oecd.org/els/emp/Basic-Income-Policy-Option-2017.pdf
- 4. Paul Cockshott looks at the resources that would be needed to bring in BI, in the context of the UK but also takes up the question of why the policy has won the level of support it has on the political left. paulcockshott.wordpress.com/2017/01/25/what-is-wrong-with-the-idea-of-basic-income
- 5. Dmytri Kleiner presents BI as a 'neoliberal plot' and takes up the folly of an attempt to reduce inequality under capitalism, while leaving the market factors that create it in place. He suggests that an unconditional cash payment would be even more subject to austerity cutbacks that existing systems of social provision.

further field. org/features/articles/universal-basic-income-neoliberal-plot-make-you-poorer

6. Ben Tarnoff, writing in *The Guardian*, challenges the BI that, it is imagined, might be provided in a still capitalist 'robot future' to those who had been technologically displaced from employment.

the guardian. com/technology/2016/may/16/universal-basic-income-equality-tech-silicon-valley

7. A video of the LEAP debate on Basic Income that took place earlier this year in Toronto.

voutube.com/watch?v=TfAxpc-r EM

- 8. Video on Basic Income from LeftStreamed: A Way Forward for the Left? socialistproject.ca/?p=1846
- 9. An Unconditional Citizen's Income by Ursula Huws socialist project.ca/?p=1065



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info@socialistproject.ca www.socialistproject.ca



