

# THE UNIVERSAL BASIC INCOME AS A POTENTIAL INNOVATIVE TOOL FOR REFORMING THE SOCIAL DIMENSION OF THE EUROPEAN UNION.

## PROS AND CONS

**Georgeta GHEBREA \***

### **Abstract**

*Twenty years after Nice Social Summit, the European Union organised in 2017 another Social Summit in Gothenburg, looking for new strategies to combat inequality, poverty and social exclusion. One of these new solutions debated in Gothenburg was the Universal Basic Income (UBI). Our main goal is to find out how appropriate is UBI for reforming the European social policies. Our methodology contains assessments of theoretical and empirical experiments, as well as document analyses. Our results show that UBI is not a univocal concept and its evaluation depends on different ideological standpoints. Also, UBI outcomes are contingent upon the social context. Therefore, despite its undeniable potential improvements, UBI does not seem appropriate to the European context: it would not have a significant impact on poverty and inequality but it would have very high costs. Also, since Europeans benefit from comprehensive welfare systems, UBI would not increase the progressivity of social protection.*

**Keywords:** Universal Basic Income, social dimension of the EU, European Pillar of Social Rights, welfare, ideology

### **Introduction**

After a period of relative prosperity that characterised the European welfare states and in which inequality has diminished, we live today, according to statistics (Schraad-Tischler *et al.*, 2018), an era of deepening economic and social inequalities. Inequality is seen, in the neoliberal paradigm, as beneficial for stimulating competitiveness, creativity, production of goods and services, and, ultimately, general prosperity. However, when it exceeds a certain limit, inequality has disruptive effects for social equilibriums: degradation of social cohesion, social exclusion and social moods characterised by frustration, alienation and anomie. These effects of inequality could increase violence, aggression, social conflicts, and malfunctions of democratic political regimes. For instance, the populist regimes have risen worryingly lately within the European Union (EU), as well as

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\*Georgeta GHEBREA is professor at University of Bucharest, Romania; e-mail: georgeta.ghebrea@fspub.unibuc.ro.

Euroscepticism and mistrust in the European institutions (European Commission, 2017a).

At the same time, the labour market has undergone important mutations: employment has become more flexible, the non-standard and/or precarious jobs are more frequent and the careers are interrupted and less secure. These mutations are affecting the social security systems, especially the social insurance systems (pensions and health care).

Globalisation threatens workers' rights that weaker trade unions no longer have the power to defend. Two social categories in precarious situations – long term unemployed and NEETs (young people not in education, employment or training) – are more and more numerous, illustrating failures of transitions to labour market: “At a cross-EU average rate of 16.7%, the share of young people between 20 and 24 years of age who are not in school, employment or training is certainly still above the pre-crisis level (2008: 15%)” (Schraad-Tischler *et al.*, 2018, p. 9).

A new challenge is the technological change, for instance, the increasingly use of robots, which creates concerns about job losses (Eichengreen, 2018).

To meet all these challenges, twenty years after the Nice Social Summit, the European Union organised a “Social Summit for Fair Jobs and Growth”, 17-20 November 2017, in Gothenburg, Sweden. Here, President Juncker proclaimed the European Pillar of Social Rights (EPSR) and the strengthening of the social dimension of the EU by providing “social protection for all” (European Commission, 2017b).

This assertion implies that the social dimension of the EU was not able to provide adequate social protection for certain social groups, e.g., non-standard and self-employed people. Consequently, these groups are more exposed to “economic uncertainty and social risks” (European Commission, 2017b). Classical welfare instruments and programmes have proven to be ineffective and stigmatising. Apparently, people need a fundamental new vision, not incremental improvements. In this situation, the EU is looking for new strategies to combat inequality, poverty and social exclusion.

The EPSR delivers 20 principles and rights in three fields: equal opportunities and access to labour market; fair working conditions; social protection and inclusion (European Commission, 2017c). The latter field refers to: “childcare and support to children; social protection; unemployment benefits; minimum income; old age income and pensions; healthcare; inclusion of people with disabilities; long-term care; housing and assistance for the homeless; access to essential services” (European Commission, 2017c, p. 1). Apparently, one cannot find anything new among these provisions. Still, the Commission invited all European institutions, member-states and social partners to debate and find new instruments for addressing the new social risks and challenges (European Commission, 2017d, p. 30). One of these new solutions mentioned at Gothenburg Summit was the Universal Basic Income (European Commission, 2017d, p. 22; Fernandes, 2017, pp. 1-2).

We consider the topic of UBI of great interest in the present European social and intellectual context because, obviously, the EU needs social reforms and fresh perspectives on old and new issues. We intend to analyse the potential role of UBI in fulfilling these needs.

Our research goal is to make a critical analysis, both ex-ante and ex-post (where UBI has already been implemented on a small scale), of its advantages and disadvantages, using statistical and qualitative indicators.

Our research questions are:

- Is UBI capable to bring improvements regarding the effectiveness of the social dimension of the EU?
- How relevant is UBI in the context of European social policies? How appropriate is it for reforming European social security systems?
- What are the economic, social and political ideologies on which UBI relies?
- What are the economic, social and political ideologies that criticise it?
- What role does the concept of postcapitalism play in the UBI debate?

Our methodological approach is mostly interpretative and hermeneutic. We are using analyses of the academic literature, assessments of theoretical and empirical experiments, simulations and pilots, as well as the analysis of European and domestic documents published on this topic.

Both the EU official documents (related to the Gothenburg Social Summit) and the public debate stirred around this important European event are especially important sources for carrying out the goals of our research.

By reviewing the academic literature in the field, we noticed that relatively little space is allowed to UBI assessment in the European context and, especially, at supranational level, which is the case of the EU, as an international organisation. Therefore, our main contribution is to assess the relevance of UBI in the specific European context, trying to fill the gaps, to find and, probably, clarify the most significant controversies. Another original contribution is to analyse the role of ideologies in the UBI debate because in the academic literature there are certain positions exacerbating the ideological aspects and other positions considering the end of ideologies.

Our analysis shows that the strengths and weaknesses of UBI are discussed less on the basis of existing empirical results or rational arguments; in fact, there are evaluations based mainly on economic and political paradigms that structure the patterns, judgments and choices made by both researchers and politicians.

In the first section of our paper, we try to define UBI, reviewing a few perspectives on this topic. In the second section, we assess the role of ideologies in the UBI debate. In the third section, we make a short analysis of both theoretical and empirical experiments concerning UBI. Finally, in the last section, we evaluate the relevance of UBI for reforming the social dimension of the EU.

## 1. UBI – the development of the concept

Over time, people have been attracted to the idea of a society in which wealth is distributed equally and in which there is no need to work. This idea is



present in the work of utopian thinkers (Thomas More), socialists and communists. Marx (1977) described the alienating effects of labour in the capitalist societies. The market economies are transforming people from human beings into commodities. Marcuse (1991), following this idea, has forged the concept of “one-dimensional man”, i.e., a person who is alienated from the authentic human nature and from the real sense of life, who is not able anymore to have a diversified human life.

Humans will return to their authentic being when they will work only what they like, when labour will become work (Standing, 2018). Marx understands work as a meaningful human activity, intended to develop the human personality, life satisfaction and the general social progress. The work implies the free choice and the personal aspirations of every human being. Labour is the human activity that is imposed by force and coercion. Labour implies social and political relations of exploitation and domination. In the future (communist) society, the labour will be done by machines and robots and humans will be able to dedicate themselves to the personal multidimensional development.

Looking back, UBI-like ideas and practices have developed in the early era of capitalism, expressing reactions to the disruptive phenomena that accompanied the “Great transformation” (Polanyi, 1944). This Karl Polanyi’s concept refers to the generalisation of a market economy that replaces pre-modern economies (based on tradition, redistribution or reciprocity), thus causing a major crisis. Food, land and labour become goods, generating unfavourable consequences on rising prices, poverty, migration to cities and the loss of land by the peasants. Faced with riots, distress and dissatisfaction produced by the phenomena described above, some local governments have introduced social protection measures, such as Polanyi described. It is about a UBI plan implemented in Speenhamland, a town in England, during the Napoleonic wars (1795).

The history of the concept has at least three waves in the last century: after the Great Depression, in the 1930s; in the 1960s – 1970s (during the war in Vietnam, civil rights movement, hippie movement and sexual revolution); and in the 2000s (Ogilvy, 2017). All these waves are related to periods characterised by all sorts of crisis: economic, social, political or cultural.

Coincidentally or not, we see how, starting with the 2008 economic crisis, the UBI idea comes back to fashion or, in any case, is debated in various environments (Coote, 2018). This debate includes famous public intellectuals, prominent journals, political parties from the entire political spectrum, international organisations, a referendum in Switzerland, parliamentary debates, experiments all around the world and international networks and platforms (Srniczek and Williams, 2015, p. 118).

Contemporary capitalism invents new forms of development that create, just like 300 or 200 years ago, difficulties for people, with similar social effects. Some of the authors (Mason, 2015) call the contemporary trends “postcapitalism”, according to a well-established tradition where the absence of a well-defined concept is substituted by the addition of the prefix “post” to pre-existent concept: postmodernity, post-industrial society, postmarxism, poststructuralism, postwork,



etc. The term postcapitalism implies a critical perspective on the neoliberal paradigm; even Peter Hall – the author who analysed the paradigm shift in public policies during the 1980s (from the Keynesian paradigm to the neoliberal one) – has published, in the years of the recent economic crisis, a new article in which he draws attention to the possibility of a new paradigm shift that could replace the previously dominant neoliberal paradigm (Hall, 2013).

The reforms of the welfare state, based on activation and flexibility, have only pushed to precarious employment statuses, creating a new social underclass (Standing, 2011). Austerity policies have generated poverty and inequality, triggering social protests in many countries that were hit by the 2008 crisis. Many new social and political movements in almost all European countries are demanding a fairer distribution of wealth. There is a need for another “Great transformation” in which the profit is no longer the primary objective: a need for “capitalism with a human face” (Brittan, 1995).

The neoliberalism has proven its limits, both economically and socially, but we do not yet know if and how it will be replaced. The neoliberalism is accused of „the end of history” (to use Francis Fukuyama’s expression). That means that the neoliberalism erases the future, because it sees the future looking exactly like the present (dominated by the eternal free-market economy). Are there alternatives to the neoliberal future, alternatives that describe a fairer, more peaceful, more beneficial future? A multitude of books emerging during and after the recent economic crisis (2008-2012) tries to answer this question. One of the most influential books published on this topic seems to be that of Srnicek and Williams (2015).

In the future, capitalism and labour will in fact be reinvented and redefined; even today the workplaces are no longer fixed in Weberian stable, routinized and hierarchical bureaucracies. Srnicek and Williams sustain the necessity of introducing UBI, in order to ensure a stable income and thus fight against the social effects of this fluid, precarious and unstable context. Only by ensuring our fundamental needs will we be free (Srnicek and Williams, 2015, p. 80). Quoting Arthur C. Clarke (the famous science-fiction writer), Nick Srnicek and Alex Williams believe that „the goal of the future is full unemployment” (p. 107), as a result of the reduction of the working week and of the implementation of the UBI (p. 108). They defend the viability of the postwork society because there are sufficient material and financial resources for supporting it. The European countries are affluent societies that could provide – using redistribution – for these resources.

Another influential work belongs to the Belgian researchers Philippe Van Parijs and Yannick Vanderborght (2017), who claim that UBI is ethically justifiable, economically sustainable and politically achievable.

We can see from the above examples that there is a connection between UBI, postcapitalism and “digital Marxism”. Still, UBI is not exclusively a left-wing idea. There are famous neoliberal economists (for instance Paul Krugman and Milton Friedman) and right-wing think-tanks (Adam Smith Institute) that support UBI (Lewis and Stronge, 2018).



Seeking solutions to current social problems, UBI has attracted a diversity of experts, scientists, journalists, politicians and militants, each with its own definition of UBI: "...libertarians, conservatives, anarchists, Marxists and feminists, among others. The potency of the demand lies partly in this ambiguity, making it capable of mobilising broad popular support" (Srnicek and Williams, 2015, p. 119).

This extreme variability explains why UBI was embraced by very different ideologies, because each of them assigns to UBI different meanings and contents. The inventory of these definitions of UBI includes all the fifteen possible combinations of the following dimensions (IMF, 2017, p. 17):

- Exclusivity: Replacing versus supplementing the existing social transfers
- Regularity: One-time endowment versus regular income
- Coverage: Categorical (the most vulnerable groups) versus universal income
- Eligibility: Conditioned versus unconditioned income
- Recipient: Household versus individual endowment
- Form of distribution: Tax credit versus cash benefit.

Thus, the UBI ranges from an equal lump sum of money that is granted monthly and unconditionally to all citizens and residents and provides a living standard above the poverty line – to a low amount granted only to households without income or in critical situations. (Coote, 2018, p. 1; International Monetary Fund, 2017, p. 17).

Certain points of view consider that UBI should be added to the existing social benefits because, otherwise, it creates an overwhelming marketization and a free market of services, thus risking raising prices (Srnicek and Williams, 2015, pp. 118-19). Other points of view consider that UBI should be high enough in order to replace the other social security payments.

What is the "so-called" UBI and what is the "true" UBI within this diversity of approaches? There are maximalist and minimalist views. The "true" UBI replaces all other social benefits and it is monthly granted in-cash to each individual, regardless of the social status. Because this radical view is hard to implement, most approaches – theoretical or even put into practice – use more attenuated definitions of UBI.

UBI was suggested also by certain neoliberal economists, of course in restricted formulas. For instance, in 1968, Milton Friedman proposed a negative income tax, coupling a "fixed flat transfer with a proportional income tax" (International Monetary Fund, 2017, p. 117).

The idea of UBI was taken into consideration by many international organisations, such as: United Nations (UN), International Labour Organisation (ILO), Organisation for Economic Co-operation and Development (OECD) and International Monetary Fund (IMF). These organisations are using for their assessments their own definitions of UBI.

Therefore, UBI researchers have a wide conceptual variety, understanding very different things that are usually reunited erroneously under the same name. UBI goals, funding solutions and implementation methods are, in fact, seen very



differently. Current debates show that UBI actually means several different tools under the same umbrella (International Labour Organization, 2017, p. 180).

## 2. The role of the ideologies in the UBI debate

Apart from the different conceptual approaches, UBI also evokes an ideological variety (Table 1). So, if UBI is good for the left-wing proponents because it redistributes wealth and creates more equality, for the right-wing proponents, UBI's usefulness is to simplify bureaucracy and lower social protection costs.

**Table 1. UBI and ideological divisions**

	<b>Left-wing</b>	<b>Right-wing</b>
Pros	Equality, freedom, removing stigma	Simplification, debureaucratisation, efficiency
Cons	<p>UBI consolidates the current capitalism based on "bread and circus" and consumerism; UBI produces apathy, social pacification, docility and social control.</p> <p>UBI will not provide freedom, personal development and creativity, as left-wing utopians expect, because UBI means giving money to people to buy, consume and strengthen the consumer society.</p> <p>UBI does not decommodify but increases the role of the market (because it gives money, the tool that expands and does not reduce the market).</p> <p>UBI is neoliberal because it undermines trade unions, the rights of the employees and the welfare state, in general</p>	<p>UBI is not economically efficient, it costs too much.</p> <p>UBI does not contribute to personal development and does not stimulate creativity and initiative but, on the contrary, discourages work and activity.</p> <p>It makes people less responsible and demotivates them</p>

*Sources:* own synthesis of information retrieved from Downs and Lansley (2018), Pereira, (2017), Zamora (2017), <https://medium.com/basic-income/the-big-library-books-about-basic-income-b9763071b987>.

Just as for its proponents, UBI's opponents are ideologically divided: right-wingers consider it too egalitarian and left-wingers too neoliberal. UBI manages to be a true paradox: being too ideological, it risks losing the relevance of any ideology, in the sense that we can always find arguments for or against UBI on ideological grounds. Therefore, we cannot associate pros with a certain ideology and cons with another. This is closely related to the way UBI is defined: the left wants a UBI to be given regardless of the status of work and coexisting with other social benefits; the right wants an UBI with a smaller amount replacing all other social benefits.

We used the terms left-wing and right-wing related especially to social values: "freedom, equality, fraternity, rights, progress, reform and



internationalism” for the left-wing and “authority, hierarchy, order, duty, tradition, reaction and nationalism” for the right-wing (Herwood, 2015, p. 119).

Yet, this ideological division is losing its relevance in the contemporary politics because of the changes in social structure, economy and culture (Giddens, 1994). The classical left-wing and right-wing do not exist anymore; they are constantly redefined, while new political forces and social ideologies appear on the stage of the history. For instance, the “Greens” (the ecologist movement) are generally favourable to UBI (Ogilvy, 2017). UBI is now embraced by the growing populism because it brings votes of people dissatisfied with the current social and political systems (Rothstein, 2017).

In conclusion, UBI is an ideological chameleon, being supported by those who believe in “a new brave world” and want radical reforms of classical welfare and of classical ideologies. The new left, the new right, illiberalisms, ecologisms, feminisms, populisms and other movements that support UBI are united by the idea of a “post”-society, where the traditional social divisions are not operational anymore, where economy is post-material, work is flexible and the good old institutions (social dialogue, trade unions, welfare state, even political parties) are outdated.

### 3. Experimenting UBI

UBI is an idea that dates back to a long time, as we have shown above, but which has also begun to be put into practice in the form of pilot experiments conducted in some local communities, whether managed by the state or by the non-governmental organisations.

Researchers have conducted experiments and studies since the 1970s, in New Jersey, USA and Winnipeg, Canada (Zamora, 2017, p. 1). The interest has decreased with the offensive of the neoliberalism during the 1980s and 1990s and the change of the welfare paradigm to workfare.

Existing information (Murray and Paterman, 2012; Ogilvy, 2017) shows the presence of these experiments on the entire planet: Scotland (four communities: Glasgow, Edinburgh, Fife and North Ayrshire); Finland; Spain (Barcelona); Netherlands; Namibia; Kenya (unconditional cash grants – about \$22 a month – to residents of a single village. The programme is now expanding with plans to hand out grants to some 16,000 people in 120 villages (Eteris, 2017)); India; Iran; Brazil; Canada (Ontario); United States (in Oakland – a small-scale experiment implemented by Y Combinator, a business incubator; in Stockton – a programme of an advocacy organisation, Economic Security Project).

The results of these experiments are so far inconclusive (except for the improved coverage). They are at risk of numerous distortions produced by: the participants’ reactivity (modification of behaviours to better respond to the objectives of experiments (Mayo, 1998)), the methods of selection of experimental groups, the use of control group, the UBI amount size and other causes.

When piloted in countries where there are no free public services (such as education and health care), experiments have shown an increase in service quality,



clients being able to select the supplier and thus increase competition. Where public services are free, UBI does not have a notable impact, these services having already the role of increasing equality, inclusion and social solidarity. Thus, free and inclusive public services act de facto as an UBS (Universal Basic Services) (Coote, 2018).

For our research purposes, the UBI experiment in Finland, an EU member-state, is the most relevant. UBI is a popular idea in Finland since 1980. This country has a very complex social security system, with more than 40 means-tested benefits, very little adjusted to a very flexible labour market. What is specific to the Finland experiment is that it was put into practice “by a centre-right, austerity-focused government interested primarily in spending less on social security” (International Labour Organization, 2017, pp. 50-52), while UBI is often associated with left-wing politics. The pilot was designed to cost €20 million and it has begun in January 2017. The experimental group was composed of 2000 unemployed people randomly selected, who receive a monthly €560 for two years. The control group was composed of 175,000 persons (Kela, 2018). The preliminary results show a positive impact on participants’ psychological health and a reduction of expenditures for medicines and doctors. Also, the participants were pleased with the opportunities for training and the lack of paperwork. Unfortunately, the Government decided recently (April 2018) to end the experiment because of unclear reasons, invoking only the huge costs. In our opinion, the costs are only a pretext for closing down the Finnish experiment, the ideological reasons concerning the potential “perverse effects” (discouraging work and economic activity) being more important.

The idea of UBI was taken into consideration by many international organisations, such as: UN, ILO, OECD and IMF. IMF is an international institution reputed to be a neoliberal “specialist” in austerity policies. This again proves the plasticity of the UBI concept, the fact that we cannot put an ideological label on it. IMF executes a simulation, taking into account the following variables (International Monetary Fund, 2017, p. 17):

- A UBI as a cash transfer of an equal amount to all individuals in a country
- A UBI calibrated at 25 percent of median per capita income (additional to existing programmes)
- Poverty rate before and after simulation
- Inequality measured by Gini coefficient before and after simulation
- The coverage, generosity and progressivity (targeting) of the existing social transfer system
- Fiscal costs.

The experimental sample contains three groups of countries: advanced economies, emerging markets and low-income countries.

The results of the simulation show a higher distributional impact (in the sense of reducing poverty and inequality) in social contexts characterised by high rates of poverty and high inequality. For instance, in the selected emerging markets and developing economies, the reduction of Gini coefficient was 5.3 points



(compared to only 1.75 in the advanced economies) in average and the reduction of relative poverty by 10.4 percentage points, in average (compared to only 3.75 in advanced economies) (International Monetary Fund, 2017, p. 18).

In terms of costs, they are higher in developed countries (6.5% of GDP, in average) than in the rest of the countries (3.75% of GDP, in average). The costs of UBI are even higher in the residual welfare states (centred on means-tested benefits and less on the universal ones). Their current social protection systems cost less than the implementation of UBI. In the United States (US), for instance, introducing a “true” UBI (a sum like \$ 10,000 a year for every person) would mean a \$ 3 trillion cost per year, eight times more than US spending on social welfare programmes (Eteris, 2017, p. 4).

A first conclusion of the IMF assessment could be that both effectiveness (positive impact) and efficiency (cost/benefit ratio) of UBI are lower in the developed countries (including the EU). Another conclusion of this assessment is that estimated outcomes depend very much on the existing social policy, the model of welfare state and the type of social security system. In countries with underdeveloped social policies, UBI could be successfully applied, at least on a temporary basis, until the implementation of more advanced social protection policies. A third conclusion is that the popular support and success of UBI depend on the social and political culture of a country. The chances are more favourable if this culture is based on values such as: equality, security, inclusion and solidarity.

#### **4. Applicability of UBI in EU: potential advantages and limits**

Theoretically, UBI could have a number of advantages, both at personal and social level, from multiple points of view: moral, psychological, economic, administrative and political.

On personal level, UBI is relieving people of work-related stress and, in particular, of searching and keeping a job. People can engage in activities they like, in politics and civic involvement, cultivate their talents and creativity, and, thus contribute to social innovation and overall economic development. Also, by reducing stress, UBI contributes to a better physical and psychological health (Srnicsek and Williams, 2015, p. 119). This argument is consonant with the European values: “investing in people”, in human development is one of the most important objectives of Social Europe.

In the current European social context, UBI seems to be a very good policy programme to respond to the challenges of globalisation and to a labour market characterised by precariousness and uncertainty. UBI diminishes the impact of automation and robotisation regarding job losses, lower incomes and increasing insecurity (Eteris, 2017). Atypical occupational statuses have already reached 40% of the EU workforce (European Commission, 2017c) and the policies currently in their favour are insufficient to provide adequate protection and real equal opportunities. The current social protection system is visibly in crisis, it has to be reformed from the ground and UBI could represent an outpost of a new social and political vision.

UBI has superior coverage compared to all other social benefits, especially for the groups insufficiently protected by the existing social security systems. In the EU, the new directives issued in April 2017 constitute an essential trial to complete the gaps in the legislative framework, referring to non-standard employment statuses; still, many member-states have an incomplete legislation and difficulties in policy implementation. Therefore, UBI would solve these issues.

As a social policy tool, UBI would reduce poverty, especially extreme poverty. It thus contributes to greater equality and social justice. Also within this axiological framework (social justice, equal opportunities, non-discrimination and work-life balance), UBI is a fundamentally feminist proposal. It is gender neutral because it disregards the gendered division of labour and overcomes some of the biases of the traditional welfare state predicated on a male breadwinner.

There are also other groups, besides those mentioned above, which can be better protected: young parents, migrants, students and disabled people.

UBI has also the great advantage of not being stigmatising, creating better conditions for social inclusion and equal opportunities – two other crucial European values and policies.

UBI can contribute to the social peace: people could become happier, less frustrated, they would have less motivation to involve themselves in criminal or even terrorist activities.

From an administrative point of view, an important advantage can be obtained by implementing an UBI that replaces the other social benefits, especially those that are means-tested. This would reduce the state bureaucracy and simplify the complicated system of application/evaluation/decision for granting social benefits (Coote, 2018). The people would not lose themselves in the bureaucratic jungle in search of useful information to fill in a set of complicated forms and paperwork.

The economic efficiency of UBI is high if the amount of money offered to recipients is relatively small. We could also take into account the reduction of the administrative costs and the lower expenditures – for public health and combating crime – that result from the implementation of the UBI. “Finally, it could help garner public support for unpopular structural reforms, such as eliminating food and energy subsidies or broadening the consumption tax base” (International Monetary Fund, 2017, p. 17).

The Europeans’ social and political culture is a favourable contextual factor for implementing UBI in the EU. The European social culture supports more values like equality, social justice and redistribution (Hilmer, 2016). By comparison, the American culture seems less favourable to UBI because it cultivates values such as competition, efficiency and merit.

Despite of the potential advantages mentioned above, UBI appears to have a limited applicability in the EU because of numerous reasons.

UBI is not appropriate to the specificity of the European economy and social model. As demonstrated by experiments, UBI is appropriate in countries with high rates of extreme poverty. In the EU, however, the relative poverty and the relative deprivation are predominant. They are more effectively affordable through other



social protection measures than UBI. The EU member-states have ones of the most advanced social security systems in the world (European Commission, 2017d), with high coverage rates, combining a diversity of means-tested and universal social benefits and social services. Europeans benefit of effective safety nets and therefore UBI would not bring a significant increase in the progressivity of social protection. On the contrary, the most deprived social groups would receive less money and fewer social services, being limited to the sole amount provided by UBI. Therefore, UBI could augment the poverty rate in the EU (International Monetary Fund, 2017, p. 19).

Not only are the poverty rates lower in the EU, but the standards of living are higher than the world average. Consequently, UBI should provide bigger amount of money in order to have a real social impact. Another solution for making UBI compatible with the European standards of living is to supplement it with other social benefits. But this conditionality would turn UBI into an inefficient tool with very high costs.

Thus, UBI will not simplify the bureaucracy of social protection (reducing therefore the administrative costs) nor “removes the stigma of claiming” (Coote, 2018). Under these circumstances, UBI means wasting money because it will also give money to those rich people who do not need it.

Other negative outcomes are inflation and raising taxes, in order to finance the UBI. Although in its extended formula, UBI is not appropriate to the current realities of the EU, it can become applicable on a small-scale basis, only in vulnerable communities.

Winding up, in the EU “an affordable UBI would be inadequate and an adequate UBI would be unaffordable” (Zamora, 2017, p. 6). For the time being, in EU, UBI remains a utopia of an uncertain future of prosperity, automation and emancipation.

UBI will not improve the EU social climate or strengthen the social solidarity. In order to solve the social problems, there is a need for participation and dialogue, not alms and charity. UBI will further decrease the strength of employees and trade unions and will damage public services because the governments will no longer invest in them. Therefore, UBI is a threat for the European social dialogue and for the European social model, in general.

In fact, UBI reduces all the problems to income inequality. Even if UBI will solve this problem in EU, it is not the only inequality issue and the EU social crisis is not only about inequality.

The EU social security systems already provide for an array of basic incomes: universal old-age pensions, universal child benefits, universal access to public services, minimum income guarantee, etc. It is true that the systems need more simplification and efficiency; new instruments should be imagined and tailored for covering new social risks and for protecting new vulnerable groups. Still, the in-cash benefits are less effective and produce more perverse effects than the social protection based on in-kind benefits and social services. More protection for occupational transitions is needed, as well as the expansion of mobility and freedom for all European citizens.

## Conclusions

The debates regarding UBI reflect different paradigms of social welfare, as well as a deeper philosophical substratum, composed of social justice theories, perspectives on equality and conceptions of human nature.

The fact that thinkers sharing similar (philosophical and ideological) perspectives still have different positions about UBI could be explained, as we have shown, by the extreme variability of the concept, but also by the existence of different currents and schools of thought within the same paradigmatic camp.

In our view, the concept of distributive justice, i.e. “the way in which the benefits and burden are distributed in a society, according to a set of principles (Jost and Kay, 2010, p. 1122), plays an essential role in UBI debate. Different combinations – of moral and practical principles, utilitarian and deontological approaches and relations between equality and freedom – have created several great traditions related to the distributive justice: socialist, Marxist, liberal-progressive and conservative (Jost and Kay, 2010, p. 1130).

The variety of these visions shows the non-existence of a universal social justice. The “scientific” principles of resource allocation are, in fact, ideological, based on beliefs and not on strong evidence. Ideologies are not dead, utopias are not dead; they are created, perpetuated and spread by opinion makers, scholars, public intellectuals, influential politicians and opinion leaders. Social policy reforms are not entirely rational processes. They are based on ideas and values that are not always manifest and explicit, but mostly latent and implicit. An example in this sense is the very conception of human nature. Anthropological studies have shown its variability in space and time, depending on specific socio-cultural contexts: people can be inclined to cooperation or competition, to equality or merit, to work only with positive or negative sanctions or work for pleasure.

Our research demonstrated that, in actual debates and practices, UBI is not a univocal concept but has a great variety of definitions and contents. Under the UBI hat, there are, in fact, several very diverse policies and instruments.

Our research showed also the connection between the periodical resurrection of UBI (in both the social practice and political and intellectual debates) and the socio-economic crises and transformations. This is understandable because the crises have not only negative effects, but they also represent opportunities for social change. They are periods when mankind is looking for new solutions to old or new problems, reforming the existing social arrangements and making progress possible.

Another result of our research is that the assessment of UBI cannot be done in absolute and general terms. The UBI implementation outcomes depend on characteristics of the social context, in particular: the levels of social indicators, the existing social policies, people’s expectations and the dominant social values.

Regarding its applicability for the EU’s social context, UBI does not seem appropriate either to the European social model or to the European welfare state traditions. In our opinion, UBI will not solve the EU social problems. Poverty, social exclusion, inequality cannot be solved simply by giving money to the



people. UBI is neither attacking the structural causes of these social problems, nor the social culture of dependency associated to them. The universal access to social services, to social dialogue and to political decision – and not the monetarised benefits – is more appropriate to alleviate the current social problems faced by the EU.

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