

# Some thoughts on basic income from a feminist perspective

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## Introduction

On the 5<sup>th</sup> of July 2007, the Heinrich Böll Stiftung organised a workshop on basic income from a gender perspective. This paper was originally prepared for that workshop, but its current version has afterwards been extended and revised to include an elaborate definition of basic income, and to include some responses to issues raised during the discussion at the workshop meeting.

This paper has four goals:

1. To give a definition of basic income and clarify its main features;
2. To highlight some problems with the current debate on basic income;
3. To present some main insights from the academic literature on gender and basic income;
4. To ask some questions which feminists who are considering whether or not to advocate a basic income should ask.

## 1. What is basic income?

Philippe Van Parijs, perhaps the most important contemporary philosopher who advocates basic income, has written an excellent article in which he explains the essence of the basic income proposal (Van Parijs 2004). He defines basic income as *an income*

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*paid by a political community to all its members on an individual basis, without means test or work requirement.* Let us unpack the different elements of this definition one by one.<sup>1</sup>

## **2. An income paid by a political community to all its members individually**

Basic income is *an income*, that is, it is paid in cash, rather than in kind. Recipients of a basic income can freely decide what to do with this income: whether to consume it (on whatever goods and services they like), to save it, to invest it, give it away, or whatever else they like to do with the money. Hence, this is different from some existing welfare state supports, such as housing benefits in the UK, or food stamps which only allow one to spend it on a narrow range of consumer goods. Basic income is an income that is paid on a regular basis. In continental Europe this would most likely be a monthly payment, whereas in the UK a weekly payment is more in line with existing customs. This also means that a basic income is different from a basic capital or citizen's stake, as it has been defended by Ackerman and Alstott (1999), for example. A basic capital is a large sum of money which is given to each citizen once in their lifetime, for example at age 18 or 21.

Basic income is *paid by a political community*, which in most discussions is taken to be the nation state. However, it could also be a lower-level political community, such as a state of a federal country; or it could be a supra-national state, such as the European Union. Some have suggested that the UN should give each person in the world a basic income which would be equivalent to one or two dollars a day, as this would take away the worst forms of severe poverty on earth. For current purposes, we will assume however that the political community will be the nation state, and that we are focussing on post-industrial welfare states.

The political community can still choose among many different ways to finance the basic income. Most proposals suggest that the basic income should be funded by a flat tax on labour income, for example 50%. This means that independent of whether one would

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<sup>1</sup> Sections 1 to 3 are strongly based on Van Parijs (2004), although he discusses some further features of basic income that I have left out here, and I have added and highlighted some different aspects here and there.

earn 400 Euro or 4000 Euro from one's employment, one would pay half in taxes. This is a significant difference to the current situation, since all European countries have progressive income tax on labour earnings, whereby the tax rates on lower income brackets are lower than on higher income brackets (hence the more one earns, the higher the percentage one has to pay in taxes). Note, however, that one could also (partly) fund a basic income in different ways, for example by ecological taxes, wealth taxes, increases in the taxes on VAT, and so forth.

A basic income is paid to *all the members* of that political community, but this part of the definition is also open to different interpretations. Mostly it is taken to be all legal permanent residents; however, this requirement could be stricter (for example the citizens (i.e passport holders) who are living within the nation state), or broader (also including all legal residents or the citizens who live outside the territory of the nation state). Another question is whether children are treated on an equal footing with adults. Some basic income proposals argue that it is a right from the cradle to the grave, and hence the amount should be the same for all, independent of age. However, one could also give children a lower (or higher) basic income, and even make the level of the basic income dependent on the rank of the child (for example by giving a higher basic income to the first child(ren), and lower levels for subsequent children of the same parents.)

A basic income is paid on *an individual basis*. It is an individual right that is given to each and every individual, independent of whether he or she lives alone or with a partner. In contrast to some current benefits, the level of income or wealth of the partner plays no role at all in being entitled to a basic income.

### **3. Non means-tested and without work-requirement**

A key characteristic of the basic income is that it is *non-means-tested*, hence everyone is entitled to it, irrespective of one's income or wealth level (or that of one's family members); it is given to both rich and poor equally. Most proposals suggest that the implementation of a basic income should go together with the (partial) abolition of existing transfer payments, such as child benefits, unemployment benefits, and so forth. Since basic income is equally given to rich and poor, one may wonder whether it will be a good thing for the poor. All the evidence we have is that it would be a good strategy for

the worst-off, for at least three reasons. Firstly, the take up rate will be higher. Currently the poor often do not take up the transfers they are entitled to, sometimes because they do not know that they qualify, sometimes because they do not know the way to the appropriate instances, sometimes because of language barriers or illiteracy, sometimes because of the bureaucratic hurdles. A basic income would be given to all as a matter of citizenship, and hence one can expect these problems to be much less severe. Second, current transfer payments are experienced as humiliating by many poor, since they are targeted to those in need; a basic income would avoid the stigma that currently is attached to some benefits. Thirdly, the poor are for good reasons risk averse, and therefore don't want to risk their regular monthly payments of their benefits to the insecure prospect of a job which they might soon lose; a basic income avoids this part of the so-called "unemployment trap", since the regular payment of the basic income will remain intact, whether the poor work or not. Economists often add another benefit of a basic income, namely that it makes work pay. In current means-tested welfare state transfers, the financial difference between claiming benefits versus being employed in a badly paid job are often very small, since employees lose their benefits and also incur certain costs related to holding a job, such as transportation or childcare costs. A basic income avoids this unemployment trap, since the difference between being employed and not being employed will always be positive, since one does not lose the basic income if one earns income from labour on top.

Another key characteristic of basic income is that it is not conditional on being employed or being available for the labour market: a basic income is a citizen's right, independent of one's employment status, willingness or ability to work, or previous work history. This is different from many current benefits, not just unemployment benefits but for example also (in many countries) the right to paid parental leave, or the level of the compensation received during parental leave. Clearly, in the societies which are still characterized by a strong work ethic, this aspect of basic income knows many opponents. Some critics argue that a basic income allows non-workers to be parasites on the efforts of workers; others argue that it is a good thing that non-market work, especially care, would be rewarded by a basic income, but that there is no justification in collectively paying an income to those who are not contributing in any way to society. The British

economist Tony Atkinson (1996) has therefore suggested that basic income advocates may want to consider a slightly different type of income, called a *participation income*, which would be conditional upon being employed, looking for employment, being in education or training, or performing care work or voluntary work in a recognised association.

#### **4. Basic income at what level?**

There is nothing in the definition of basic income that specifies at what level it should be paid. This actually creates a problem for the entire basic income literature, since very rarely do scholars specify the level of the basic income which they are imagining. Often they start with a definition that a basic income should be at such a level to keep people out of poverty. But what does that mean? The equivalent of the guaranteed means-tested minimum incomes that we see in countries in Western Europe (very roughly around 500 Euros a month), or something a little higher that allows one to lead a minimally *decent* life, such as 1000 Euro a month?

Studies that have tried to estimate *feasible* levels of basic income do not seem to reach such high levels. A 2003 micro-simulation for Spain calculated that a basic income at the level of 360 Euro for singles, 540 Euro for couples and 110 Euro for children and adults under the age of 25 would require a flat tax of 38%; it would reduce the percentage of people living under the standard poverty line of 60% of median income from 19.8 to 10.95%, and the percentage of people living under the severe poverty line of 40% of median income from 7.8 to 0.3% (Pinilla-Palleja and Sanzo-Gonzalez 2004).

However, many authors and political statements seem to have much higher basic incomes in minds; whatever the proposal, it seems crucial to specify the details of the basic income proposal – the level for adults and children, the tax basis, the tax rate, and the other transfers, benefits and public provisions that will be eliminated or maintained.

#### **5. A gender blind literature**

Let us now move to a discussion of basic income from a gender perspective. The first observation that I would like to offer is that most international academic discussions on

basic income are gender-blind, that is, they do not consider how the implementation of a basic income would have different effects on women versus men, nor do they consider how a basic income may (or may not) change gender relations in society (Robeyns 2000: 121). To summarize the situation somewhat bluntly, the key writers in this area do not really understand what gender is, that is, they observe the sex differences between men and women, but do not understand that most differences between men and women are culturally specific, and in part the legacy of a sexist and patriarchal history, which continues into the present. Thus, key notions such as gender identity, or the content of dominant masculinities and femininities, are unknown terrain for most philosophers, economists and social policy scholars writing in this field. This is very unfortunate since it is increasingly acknowledged that the new welfare state needs to entail a new “gender contract” and should much stronger support the interests of children (e.g. Esping-Anderson et al. 2002).

## **6. A rather speculative literature**

A second observation on the basic income literature from a gender perspective is that most analyses are rather speculative. Some of the academic literature has tried to estimate or predict what the effects of the implementation of a basic income on the absolute and relative positions of women and men would be. This literature is highly speculative for the simple reason that a basic income is as yet purely hypothetical: there does not yet exist a country on earth where basic income has been introduced as a pillar of welfare state reform, hence we do not know really what the effects on the gender differences in labour force participation, or gender effects on income changes, or changes to gender roles and ideologies will be.

There are basically two types of analyses for making these predictions. One part of the literature on gender and basic income simply makes ‘informed guesses or theoretical reasoning’ – here you can find all possible effects. For example, some think that men will do more unpaid and care work, others think they will do less, based on some theoretical speculations. For example, some feminists think/hope that a basic income would lead to a paradigm change in societal values whereby unpaid and care work would be much more valued, and so-called ‘feminine’ values would be given a greater prominence in public

discourse and societal interactions. However, it should be acknowledged that these predictions are very speculative, and that they express more the hope of those who are “predicting” these effects than that we have any empirical evidence on which to base these expectations.

Another part of the literature tries to draw conclusions based on empirical studies of the effects of similar social policy measures that have been implemented in the last 15 years in Europe. These studies ask what the real effects of these measures were on gender inequalities and the gendered nature of society. For example, we know that the right to parental leave is used almost exclusively by mothers. This allows us to conclude something about the effects that we can expect from a basic income which will be paid at a similar level.

## **7. The gender effects: changes in labour supply and income**

Based on such empirical studies of similar types of social policies, my best prediction is that the effects of a basic income will be as follows (Robeyns 2000).

(a) *changes in labour supply*: The labour supply of men will hardly change with the introduction of a basic income: men will keep on working (or being available for work) on the labour market. This is to a large extent because paid work is an essential part of western masculine identities. Women, on the other hand, have much more elastic labour supply, and micro-simulations with the introduction of a modest basic income suggest that the total labour supply of women could drop between 20 and 30%. If part-time jobs are widely available, we may expect that women would especially move to part-time jobs, rather than quitting the labour market altogether. However, it should be said that the labour supply changes of women are hard to predict, since they are influenced by many factors.

(b) *income effects*: On the one hand women will receive an unconditional income, but on the other hand they may earn less labour income, in part due to the higher taxation on labour income, and in part because women may reduce their hours on the labour market. Since it is unlikely that a basic income will be very generous, it is important that women do not entirely lose touch with the labour market for too long, since this will jeopardize

their long-term chances on the labour market and therefore their expected lifetime earnings. It will also increase the risk of financial hardship at separation or divorce.

For women who currently do not work on the labour market and are very unlikely to every hold a job, their share of the household income will univocally increase. But for other women it is likely that a basic income would lower the share of income that these women bring into the household. If a basic income is funded by a flat-tax, and she earns less than her husband/partner, and they both do not change their labour supply after the introduction of a basic income, then her relative income in her household will most likely decrease. The relative share of women in the household income has been argued to be an important determinant of intra-household bargaining power.

### **8. A problem not solved: the gender division of labour**

Another gender effect of the implementation of basic income is the effect on the gender division of labour, that is, the way men and women divide up the work of paid and unpaid work and care work, within their households. Feminists have for many decades argued that the traditional gender division of labour, whereby men do more paid work, and women more unpaid (especially care) work, is the cornerstone of women's disadvantaged position in society. Thus, for feminists it should be of major concern to find out how this division would change after a basic income were introduced.

Some basic income advocates are optimistically speculating that a basic income will prompt men to do more care and unpaid work, and will give women with children a chance to hold a job. Unfortunately, the available empirical evidence is much less optimistic. The empirical evidence that I reviewed of similar policy measures that have been implemented indicate that gendered division of labour in a basic income society will at best remain the same, but is in fact likely to become more traditional, with women doing a larger share of the care and unpaid work (Robeyns 2000, 2001).

According to many feminists, this gender division of labour is the cornerstone of women's disadvantage in society. The problem is not only that women are financially disadvantaged because they 'specialise' in care and household and community work, but that the enormous tasks of caring for children, the ill and the elderly makes it difficult to develop themselves in other areas of life, including paid work. Too often we think of paid

work as being a pure burden that people perform only because they have to earn a living; but for many people, and not just the best-paid or those in the nice sectors of the labour market, work has many more intrinsic values, such as being able to contribute to society at large, having structural contact with other adults, being able to develop one's talents, being able to be creative and stretching one's own imagination or professional skills, or having a structure to one's day. Ironically, both in public debates and also in the minds of many people who do not perform care work themselves, care work is idealised as being leisurely and intrinsically enjoyable work, rather than being a burden. But this is not how care workers experience care work: for many it is very demanding work where one has little autonomy, and which is sometimes emotionally or psychologically draining. Fathers who took parental leave have expressed that only after caring for their infant they realised how difficult this kind of work was, and they gained much more respect for people doing care work. Seen from this perspective, there are good reasons to redistribute market/paid and care/unpaid work more equally, *independent* of the changes in the financial remuneration or compensation one can receive for it.

A basic income may contribute toward a financial redistribution related to these kinds of unpaid work, but it is rather wishful thinking to believe that it will alter the distribution of the work itself.

### **9. Will a basic income revalue care work?**

Care work is of crucial importance in the creation of the well-being of citizens. Without dedicated care work, children do not grow up into emotionally and physiologically healthy adults who can contribute to society, the ill are not decently treated and cared for, and the frail elderly are not given the attention and company that protects them from loneliness and depression. Our market-oriented society, however, values primarily the work that is done in return for money, and insufficiently values and appreciates the unpaid work, especially the care work, that is done within households, families and communities.

Will a basic income revalue care and other unpaid work? This is often suggested by basic income advocates. However, a feminist analysis of (the literature on) the basic income proposal signals a few problems.

The first problem is that there is little evidence that basic income advocates (within academia) genuinely understand what the nature of care work is. All too often it is depicted as pleasant work that is always intrinsically satisfying, which most women would like to do if only they were not forced by economic necessity to work on the labour market. However, if care work were so intrinsically enjoyable, why is it then so difficult to encourage men to do more care work? Caring is not just baking cakes and drinking tea at 3 in the afternoon, or going to the park and feeding the ducks. Care work is also emotionally draining and psychologically highly demanding work, whereby one is on a constant call of those one is caring for, and whereby one has limited opportunities for personal adult development or peer interaction. If (male) basic income advocates would acknowledge this ambiguous nature of care/unpaid work, they would be much more sensitive to understanding the need of discussing not just the revaluation, but also the redistribution of care/unpaid work.

The second problem is that since a basic income is given to all citizens, including those who do not contribute to society in any possible way, it is hard to see how it signals a positive societal (financial) appreciation for carework. If a mother of three small children who stays at home to care for them receives a basic income, but an 18-year old anti-social school dropout gets a basic income as well, then in what way does the fact that *both* receive a basic income signals a valuation for this mother's care work? In this respect a participation income would do a better job, since it would only be given to either the citizens who contribute to the public funds (e.g. the workers), those in need (e.g. the disabled), and those who perform socially useful work, such as careworkers.

The third problem is that a basic income would not provide any financial compensation for an employee who would temporarily quite his or her job in order to care for an ill relative. Before quitting her job, her income would consist of her basic income plus her labour earnings; after quitting her job, her income would drop to her basic income. Her "choice" of quitting her job in order to care for her seriously ill relative (that is, in so far as this can be considered a choice rather than a response to a call for a moral duty), is in no way financially supported: she loses her earnings income, but does not receive any compensation for her care work.

In sum, it is doubtful that a basic income truly signals a societal revaluation of care work; rather, it signals a view of citizenship which includes the right to some financial means purely in virtue of belonging to a certain political community.

### **10. Perhaps no unemployment or poverty trap, but a childcare trap?**

It is often claimed that basic income allows the primary care takers of children (which predominantly are their mothers) to make a genuine choice between taking care of these children themselves, or being employed and paying someone else to care for their children.

But this may not be true for two reasons. Firstly, often the levels of basic income for children are too low to reach the prizes of quality day care. The full (that is, not subsidised) costs of a full-time child care place can easily reach 1,000 Euro a month; most levels of basic income that have been suggested for children would therefore be insufficient to fund adequate professional day care at a non-subsidised rate. Thus, at many or most levels of basic income, it seems that we would need to supplement the basic income with child care subsidies if we want to make employment for parents (mostly mothers) of small children a genuine option.

Secondly, basic income introduces a very high marginal cost for mothers to take up a job, since they will have to pay for child care and at the same time are likely to be paying between 40 and 60% of taxation on labour income. The net income differential between staying at home with one's children and being employed while paying for professional child care may be extremely small or even negative. So while basic income is often applauded for taking away (part of) the unemployment trap or poverty trap, it is likely to introduce a child care trap. Again, the exception would be if childcare were to be very heavily subsidized. But that is unlikely to happen since the idea of a basic income is precisely to do away with all specific support and subsidy systems that focus on specific needs (and also see next point).

## **11. Do we have to choose between merit good provisioning and a basic income?**

Advocates of basic income often argue that in addition to a basic income, we also have to keep a number of other government tasks, such as affordable and high quality child care, a good school system, an affordable health care system, and so forth. But is it possible to finance everything that is on our wishlist?

The feminist economist Barabara Bergmann has argued that we need to choose between a Swedish-style welfare state and a basic income, and that all the merit goods that are currently publicly provided for in Sweden – child care, schooling, health care, free or partially subsidised higher education, mental health care, decent housing, public transportation and social work services – and in addition targeted cash payments to those in need and in special circumstances, amount to 60% of Swedish GDP. It is thus unfeasible to add to this list a universal basic income, and for feminists it is not desirable to drop all these services in order to replace them by a universal cash transfer, since it will not guarantee them any of these merit goods, and the basic income may not be high enough to fund it.

Whether or not one agrees with Bergmann, an important lesson to draw is that basic income proposals *have to spell out* which other social policies will have to be implemented, or which ones will be dropped, and what the implications for the tax revenue side will be. As I argued in section 10, subsidised high-quality child care is an absolute prerequisite if we want to give young mothers a genuine opportunity to work on the labour market; but the public provisioning, or at least public financing of such a daycare and preschool system is a very expensive issue. Hence it is an important question whether it is financially feasible to provide for affordable child care, good schools, and all the other merit goods that we believe every citizen should have, *in addition to* a basic income of a certain size. It is important to discuss which one of these will get priority in case it is not financially feasible to fund both a basic income and a number of merit goods.

## **12. The power to say *No* to poor jobs?**

Basic income is often praised since it would give workers more independence and bargaining power on the labour market: if they are currently only able to find poorly paid

and intrinsically unpleasant jobs, then a basic income would allow these citizens to say *No* to either these jobs in general, or to the poor wages that they currently receive for their work. Since women are overrepresented among badly paid employees, an important gender effect of a basic income may be that low-paid workers will be in a stronger position to refuse to work for low pay, or refuse to do demeaning jobs at all.

Will this effect materialise when we introduce a basic income? I think that the answer depends on two parameters. Firstly, the level of the basic income. If the basic income is paid at a low level, which is not sufficient to lead a decent life, then these women (and men) will still have to go out to work out of economic necessity, and the range of jobs open to them will still be very narrow. If they have the right skills and talents for intrinsically rewarding jobs that were previously not feasible simply because the wages were too low (say, being an artist), then even a low basic income may improve their employment situation. But is it realistic to assume that this will hold for large numbers of people? Secondly, we need to know about the other legal and social measures that affect the situation of the worst-paid jobs. If a basic income is introduced simultaneously with minimum wage legislation (or the existing decent minimum wage legislation is maintained), then a generous basic income may indeed improve the bargaining position of the worst-off; but if a basic income is introduced together with an abolishment of the minimum wage legislation, and the basic income is not generous, then the effects of the worst-off workers may in fact be rather disastrous.

In sum, this section shows, once again, that in real life politics the effects of the basic income proposal depend crucially on the details of the entire package of social policies that is being proposed.

### **13. What do women need?**

Feminists who are considering whether or not to advocate a basic income should ask themselves what the ultimate goals for feminist politics should be.

Here are some suggestions:

- A welfare state reform that revalues unpaid and care work without reinforcing women's responsibilities for it, and which would enlarge their opportunities to

choose not to be the primary care taker. For too long we have forced women to choose between being a carer and a worker, and the dramatically drop in fertility rates show us what they increasingly are choosing.

- Flexibility to combine care with paid work: high quality affordable child care facilities, part-time work on the same pro-ratio conditions as full time workers, parental leave, care leaves.
- The default should be that every worker is a carer too: this requires change in organisational values and rules.
- Arguably the biggest challenge is how to seduce men to do more care and unpaid work. This has proven a very difficult issue for politicians and social scientists.
- ...

Only when the ultimate goals are agreed on, one can proceed to ask the question: does basic income contribute to these goals?

#### **14. Some concluding thoughts**

By way of conclusion, I would like to offer the following thoughts.

Firstly, to my mind, basic income (considered as a real-life welfare state change rather than a utopian vision) is primarily an anti-poverty strategy. But even here all depends on the level of the basic income and the details of how it will be funded, and which other welfare state institutions will be in place. Moreover, this is still a very different experience from the lives where one is autonomous and free to choose to pursue non-remunerated work, as some basic income advocates seem to suggest. Whether or not basic income will lead to the kind of paradigm change that is often believed by leftist writers and advocates, is an entirely open question. It would be prudent to start from the assumption that values will not change radically; if they do, all the better for those who champion these value changes, but it is unwise to construct a model of society that *depends* on these paradigm changes, since it is entirely unclear whether they will take place or not.

Secondly, if basic income is good for women, it will primarily be good for those women who are now poor, and who will never be holding a paid job and for whom

feminist goals of professional flourishing are of no interest. For all other groups of women, the overall effects are a combination of different effects. It is very hard to say anything in general, since many of the behavioural effects are unknown and also depend on the precise combination of the level of the basic income and the set of merit goods that will be provided.

Thirdly, basic income is unlikely to be an effective tool for a gender-justice strategy, certainly not when it is not complemented with other measures that redistribute care and unpaid work between women and men, challenge gender stereotypes and remove gender discrimination on the labour market. Nevertheless, gender issues have to be discussed together with the public debate on whether or not to install a basic income, since once a basic income is implemented, it may be too late to notice that (a) it has adverse effects on the gender division of labour and thus on women's position in society, and (b) that there is no money left to spend on the merit goods that are of special importance to women (such as child care facilities). If one chooses to advocate basic income and wants to make it as good for women as for men, then three important questions are the level of the basic income for children, whether or not child care provisions would remain intact or be introduced in the basic income society, and what other measures will be implemented that will create the flexibility which employed carers need.

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