**John Torpey** 00:00

Welcome to International Horizons, the podcast of the Ralph Bunche Institute for International Studies that brings scholarly expertise to bear on our understanding of a wide range of international issues. My name is John Torpey, and I'm director of the Ralph Bunche Institute at the Graduate Center of the City University of New York.

**John Torpey** 00:19

Today, we discuss the global experience with what's called universal basic income, an idea that has increasingly taken hold in the United States as well. In order to explore that issue, we're fortunate to have with us today Karl Widerquist, Professor of Philosophy at Georgetown University, Qatar - that is in the Middle East - and a leader of the "Worldwide Basic Income Movement".

**John Torpey** 00:44

He has published dozens of articles and several books on the topic, including a critical discussion of basic income experiments. He co-founded the US Basic Income Guarantee Network in 1999; "Basic Income Studies", the first academic journal dedicated to basic income in 2006, and "Basic Income News", which is the first news website dedicated to basic income, and that was founded in 2012. He served as Co-Chair of the Basic Income Earth Network, from 2010 to 2017, and as Vice Chair, 2017-2018. He has a PhD in economics from the CUNY Graduate Center and a PhD in political theory from Oxford. Thanks so much for taking the time to be with us today, Karl.

**Karl Widerquist** 01:38

Thank you.

**John Torpey** 01:40

Great to have you, thanks very much. So universal basic income or guaranteed minimum income, or it has a variety of names. But these schemes seem to come in a great variety of flavors and with different kinds of parameters. Perhaps you could just start by explaining a little bit about exactly what UBI is.

**Karl Widerquist** 02:06

Sure. It's part of a family of ideas on the idea that there ought to be a floor under everyone's income that's not zero. You can have an economy where income doesn't start at zero; we don't need to put people under constant threat of being homeless and economically destitute and out on the street if they don't keep money coming in. So is a little amount coming in guarantee.

**Karl Widerquist** 02:38

Now there's several ways to maintain a floor like that. The UBI model, true UBI model maintains that floor by having a universal, unconditional cash grant given to all citizens regardless of whether they work or not, regardless of whether they intend to work, regardless whether they're disabled or not, regardless of how much money they make. If they do have private income from work or investments, or anything else, everybody gets a check. That is the idea of universal basic income.

**Karl Widerquist** 03:16

Now, it is its closest cousin in doing that is the negative income tax, which is the idea of saying "we're going to give the money only to the people who need it, we're gonna make sure there's an income floor". But, if your private income is higher than that, we're going to give you less. We're going to phase it out as it as your income rises. So that you don't have everybody stuck where they make some more money, we just take it away. We just take it out of your negative income tax. So we're going to phase it out as it gets higher, but we give the money only if your income is below that point. Those are the two main marks; the negative income tax, the NIT or the universal basic income, UBI.

**Karl Widerquist** 03:21

The reason that UBI is the model today is because universal benefits tend to be better for the least advantaged than anything else. That actually helps you, the very disadvantaged person more if we're giving this money to Bill Gates and Elon Musk. And giving him the same amount helps you more. They can always raise their taxes. So they're not gonna end up benefiting directly from the UBI because their taxes go up more than they get checked every month. But it helps you because you don't have to prove you're not a billionaire.

**Karl Widerquist** 04:48

And the lower your income is, the more stress you're under, and the harder it is to prove that your income qualifies. And also it's good for you because when people's income gets into this range, it's usually because of sudden stress. And often, dealing with trying to tell the white authority that I'm eligible is a bad thing for you to have to do when you suddenly need your universal basic income.

**Karl Widerquist** 05:22

So let's say, you're a wife with three kids, and your husband makes $200,000 a year, you specialize in taking care of those kids. And you find out that your husband was abusing the children. So you run for your life, and you go to a homeless shelter, and you have no money. And you call up the negative income tax authorities and say, "Hey, I need the negative income tax". And they say, "well, it says here that you live at this address, and that you file your taxes as a household, and you make hundreds of thousands dollars a year. We don't give anything to people with that." So you have to say, "No, no, I left my husband, and I'm currently living at this homeless shelter. So I need money right now because I don't have access to his money, I don't have access to it".

**Karl Widerquist** 06:13

And that's awfully difficult. Then again is "okay, well prove it. Prove that you left this guy and are living in a homeless shelter." Is that really what we want to make women fleeing from their husbands do to protect their children? Whereas [when] woman is a primary caretaker of kids like that, under UBI, that money's gonna go directly to her, directly to her account; he can't touch it, that money is already there; already there waiting for them.

**John Torpey** 06:43

So I know we're going to talk about experiments, because you've written a book about experiments. But it seems to me that the experiments I've heard about aren't of this nature. They're about giving maybe $1,000 a month to the poor people of a certain tab, or something like that. I mean, how many experiments have there been along the lines of the real UBI that you've just described? Or have there been any, anywhere in the world?

**Karl Widerquist** 07:17

Well, the real UBI is really impossible to test on a small scale, because you can give a UBI to a small town. And you can give the same grant to everybody in town, but you can't raise their taxes. And unless the town is made up only of poor people, and it's not representative of country as a whole, then you're really exaggerating what people are going to end up with.

**Karl Widerquist** 07:52

You're testing the UBI they get, but not the taxes they get to keep that UBI from causing rampant inflation. So the [with the] taxes that they pay, you're testing wealthy people actually being net beneficiaries rather than net contributors to the program. And you're testing them on that little town an influx of cash.

**Karl Widerquist** 08:16

So yeah, UBI can't be tested. Negative income tax is the closest, really testable approximation of UBI. And that's why most experiments have focused on negative income taxes as an approximation of UBI. Or they'll give a UBI only to people that are likely to be net recipient, or recipients of the full grant on net, or people who are likely to be really close to that. So it is it is a very difficult thing to experiment with. And when it comes to experimenting with UBI, it's always just a matter of "well, how close can we approximate it? Wow, that's pretty far." And then how much of effects can we look at? "Well, we're gonna see some of the effects and not others".

**John Torpey** 09:07

So some people, I think, particularly on the left are have been opposed to UBI, on the grounds that they think it's going to undermine other kinds of transfer and support programs. And, one of the rationales that you've just given for UBI is basically about the administrative convenience of it, right? There's no means testing, everybody gets it, irrespective of their income. And, you get around the question of is this person in the situation for which X, Y, or Z program is designed to help? How would you respond to the kind of left critique of the kind that they think is going to undermine income support programs of other kinds and that sort of thing?

**Karl Widerquist** 09:59

Well, I think what we need the most is to stop judging before and start saying that there is no one who is unworthy of having their basic needs met: enough for food for shelter, clothing, some basic transportation, medical care, and a few other things that cushion on top of that. There's nobody that's unworthy of that. And we have a very cruel economic system that is based on a lot of cruel judgments about who qualifies and who doesn't. And a lot of people fall through the cracks. And we have homeless people, and we have other people who are getting support and are still way in poverty, we have other people who are working and living in poverty and not eligible for much support.

**Karl Widerquist** 10:47

So basic income is extremely important in and of itself. But it also is not meant to, it doesn't necessarily have to conflict with a lot of the existing welfare state. If you're receiving $400 a month in food stamps and your family could get a $2,000 a month in basic income, a basic Income in real cash is much better, maybe you'd be willing to give that up for basic income.

**Karl Widerquist** 11:19

But if you're disabled, you might need more than someone gets with basic income and basic income shouldn't play or replace all disability benefits, nor all social security benefits, because those are people with special needs on top of these basic needs. But everyone has basic needs. And universal basic income is designed to meet those basic needs without judgment.

**Karl Widerquist** 11:43

Many of our welfare systems that we have today are based on preserving those judgments. We think, "well, if we just help people who are proving they need it, then everybody will want to help". But actually, the opponents, people who say that the poor are unworthy, basically think anybody who is unworthy is poor; who is poor is necessarily unworthy, because they think there's some fairness or justice or there's a job in the economic system, that there's a job out there for everyone. And that all jobs are good jobs, and all of those things are false. So we need to challenge these things.

**Karl Widerquist** 11:46

We need to challenge these things. And so basic income, I think, is really one of the most important things we need to do today. It is not a threat to the welfare system as we have it. But it is a way to make it actually work and challenging the narratives that have been used to undermine the welfare system for the last 50 years.

**John Torpey** 12:42

So another objection --and this is perhaps more from the right side of the political spectrum-- but another objection is simply to the cost. People take whatever it is $1,000 a month, multiply it by the American population and come up with very, very large numbers. And so people like Lawrence Summers, for example, kind of dismiss UBI, more or less out of hand on the grounds that it would just cost too much, that it would bankrupt the US economy, etc. So how would you respond to that?

**Karl Widerquist** 13:18

Well, that is just utter nonsense. Because those numbers, when you take the the size of the grant multiplied by population, you do not get a meaningful cost figure in any shape of the term; that's the gross costs of UBI. And forgets the fact that UBI is a system where people are paying taxes and receiving the grant at the same time.

**Karl Widerquist** 13:51

And I've estimated that for every dollar that's actually a net benefit to someone -- whereas actually someone is getting $1 and not paying $1 in taxes right back for that dollar that they got in UBI -- there are $6 where people are paying right themselves. So it's like: imagine paying $1 to the needy. The government taxes you and says: "Here's $1 can you give that to somebody who's needy. Okay, now take $6 out of your wallet and put those $6 back in your wallet." That second part does not cost you anything, it does not cost you anything to pay yourself.

**Karl Widerquist** 14:39

So imagine that you when you get your paystub after your direct deposit, it's going to say, taxes $10,000. Well, if it's a yearly paystub, a yearly pay summary: taxes $10,000, UBI $10,000 they cancel each other out. What matters is the amount more than that; that net recipients are paying. And that is being then redistributed to the net beneficiaries. That is the real cost of UBI; it's about a sixth the size of the cost of the gross cuts. I estimated [them] at 2.95% of GDP for the official UBI centered about the official poverty. And that's clearly affordable; it's very small compared to what we're paying now. It would be still less than what we were spending on welfare programs per capita in the 1960s; less than we spent on many other projects that are far less worthy, like dropping billions of dollars of bonds worth of bombs on Iraq and Afghanistan and Pakistan. So the cost issue it's really based on a fallacy.

**John Torpey** 15:53

Thanks. That's very helpful. So I wonder if you could tell us a little bit more about how this idea is faring politically in Europe? Or, we know about some of the experiments in the United States, you certainly talk about those. But I wonder how would you assess the political viability of this idea in any parts of the world you'd like to talk about?

**Karl Widerquist** 16:20

Alright. The growth in support for UBI over the past 10 years internationally has been phenomenal. Really incredible in starting in one place moving to another and really becoming a true worldwide wave of support. For the first time, we had a substantial wave of support in the United States in the 1960s and 70s, which bled over a little bit into Canada and Britain, but didn't truly become worldwide. And before that, there was some talk about it in the early 20th century. And you could call that maybe the first ripple of support for basic income in the early 20th century. But what's going on now is much bigger and much stronger than ever, ever has before.

**Karl Widerquist** 17:09

Activists are getting behind it, I think partly because we've tried this judgment thing. Okay. The last 150 years, since Bismarck created the modern welfare state in the 1880s, we've tried to go with this whole harsh judgment thing on the poor. And then maybe if we judge them really harshly, then we'll have really good support of all the people who pass the judgments. And it's never been true! We judge the poor really harshly, then we exclude a bunch of people who really ought to be included. And then we give really cheap benefits to the people who pass our judgments. And then we continually treat them like criminals, over and over again, judging and judging and judging them again, no matter how many times they pass the test. And people around the world are getting sick of this and want to challenge that model and for better.

**Karl Widerquist** 18:04

And it began --it's hard to say where it began because people have been arguing and fighting about this for decades-- but where I see it really increasing was in 2006 when the Archbishop of the Namibian Lutheran Church got up on the podium at a basic income conference [and said:] "conferences [are a] set of words, words, words, we need action. A lot of people say that but don't do anything." He did something. He had already begun raising money to hold a basic income pilot project in Namibia that took place from about 2008 to 2010. They got lots of good information and good anecdotes and stories about how this helped people, it sparked media attention, which sparked another experiment in India which got more media attention. And following on that you had at about the same time the great recession and the financial crisis and people out on the streets for things like the 99% movement, the Occupy movement, the Arab Spring, and he got activists getting onto this idea. So we got petition drives and citizens initiatives for votes on this. We've got more and more activist participation in the UBI movement. And this has been spreading around the world.

**Karl Widerquist** 19:30

And this spreads back to the United States when Andrew Yang runs a presidential campaign based on this and hugely increases the idea --or just the popularity of the idea. And just at the time that Andrew Yang suspends his campaign, the COVID epidemic hits, we realized "wow, basic income is perfect at a time like this", because it is a bonus for those people who are working, staying in those essential jobs. We're saying, "please don't stop" and we can structure it so it is a bonus that they're not net contributors. And it is also compensation for all those others [to whom we are] saying, "please stay home because your job is not essential". Basic income can do both of those things in one program, and it could have prevented so much of the economic meltdown that we had along with the start of the COVID epidemic. And we're getting versions of it with the extra child, the extraordinary childcare tax credit, or the extra child tax credit or whatever they're calling it and the COVID stimulus payments, which are close to basic income.

**Karl Widerquist** 20:40

So this popularity is growing, and the fault of the existing welfare system that it has never delivered, and it's never proven [itself]. Once you prove them worthy, then the welfare benefits will be saved. It's never proven true. Again, non-universal benefits are always easily vilifiable, no matter how many hoops you make those recipients jump through. And so this is why it's growing. And I think there's good reason to believe it can keep growing, because the frustration with the existing welfare system is not going anywhere.

**John Torpey** 21:16

Interesting. Thank you. So in addition to being an economist, you're a political theorist. And you describe the economy that we have now as cruel and punitive and judgmental. And I'm wondering, what's the sort of political theory behind basic income?

**John Torpey** 21:38

And I think of Marx. And you could say really existing communism gave that sort of thing a bad name. But that Marx's image was that capitalism was a wealth generating economic system that, however, distributed wealth and income very unequally. And then UBI is a kind of an attempt to achieve this sort of realm of freedom that he, I think, really basically envisioned after capitalism had created the means of living in a kind of post-scarcity society. Does that sound like what UBI is about to you? Or have I got that wrong?

**Karl Widerquist** 22:30

Well, Marx was very good at recognizing problems of capitalism. He was talking about the alienating nature of consumer capitalism 150 years ago or more, 170 years ago, 180 years ago, maybe at it's very start. And it took decades for a lot of people to catch up with that in non-communist literature. And he was very good at recognizing the problem that working people have under capitalism, that they have nothing to sell but their labor, by which I take to mean that they have nothing other to do to keep themselves alive, but to sell their labor.

**Karl Widerquist** 23:25

There's no need for human beings to buy or sell anything if they can. For thousands and thousands of years; hundreds of thousands of years, people were able to live as farmers as hunters and gatherers, as fishers without having to sell anything. And they were their own boss. And then we created a system where we're going to buy and sell and that's okay. But what we did was, the way we created a system where you could buy and sell was one group will loan; another group will have nothing and will have no choice but to sell their labor to the ownership class.

**Karl Widerquist** 24:06

And Marx was great about recognizing this problem. His solution, though, I don't think was so good. You know, if we just had worker ownership of the means of production, then all of that's going to work itself out. We'll share, we'll be good to each other. We don't even have to worry. Politics is gonna lose its political character. Government will lose its political character after this point. Well, that sure didn't happen after the Communist Revolution; politics really kept its political character.

**Karl Widerquist** 24:33

Seizing the means of production was not enough to get those benefits back to the people. And that's why Katja Kipping, the head of the Left Party in Germany, said the old left wanted control over the means of production, wanted workers to control, the ordinary people to control the means of production. The new left wants people to control their own lives. And that's what basic income does.

**Karl Widerquist** 25:03

What control of one vote over the means of production, or over a socialist control the means of production, does not give you is individual power. Basic income is the only system that really concedes individual power to the least well-off by freeing them to withhold their labor. Not just during the strike, but also as long as they want, whenever they want. It reverses the thing, it reverses the question of whether the entire country gets to judge whether poor people are worthy of eating before people eat. They judge whether those jobs are worthy of taking.

**Karl Widerquist** 25:44

And that gives employers an incentive to go to much better jobs, much better wages, much better working conditions, and to pass on a share of the growth; a share of the benefits of the growth with working people in the United States, [who] have not shared that in the last 40 or 50 years, when the size of our economy was doubled. And almost all the benefits of that doubling have gone to the wealthy few.

**Karl Widerquist** 26:14

So basic income is much more empowering, too. And much more empowering to the least well off. And I think a much better place to solve the problems Marx pointed out than his own solution.

**John Torpey** 26:28

So back to this issue of political support, where do you think we might look in the next few years to see something like this actually happening? Is that on the horizon?

**Karl Widerquist** 26:43

That's one of the exciting things about it! It is so incredibly unpredictable. It could come from anywhere. Basic Income activism has appeared here and there and everywhere around the world. [There's a] big movement for it in Namibia. 10 years ago, it was nothing going on in India; nothing to be said about what was happening in the basic income movement in India. Hardly anybody heard about it or was talking about it. They held these pilot projects and ever since, the growth of the idea has been incredible. The semi-autonomous region of Sikkim came very close to introducing a basic income --if a certain party had gotten more votes than they might've. Finland has been talking about it quite a bit. Spain and Portugal have been talking about it. And even with someone like Yang in the United States suddenly it's on the agenda in the United States. So, it's really unpredictable around the world where this is going to spring up. But the activism keeps apace and is keeping this idea alive and growing.

**John Torpey** 28:02

And just out of curiosity, I've done a little writing about the idea of reparations for historical injustices and hence have been to Namibia. I mean, aside from the Lutheran Bishop, how is it that the universal basic income issue or movement has taken off there?

**Karl Widerquist** 28:21

Oh, well, it has a coalition that heavily involves the Lutheran Church has been instrumental on that. But it is a grassroots movement that goes all the way up and all the way down in the system. Bishop Kameeta is no longer a bishop. He's now been appointed Minister of Poverty Alleviation in Namibia. So he's keeping [it] alive from the inside. But when I was there, about five years ago, I spoke not only to the prime minister who was running for president at the time and is now President.

**Karl Widerquist** 29:04

I spoke not only at a big event that he organized, but [also] at a little grassroots event that people had organized on the edge of a shanty town. I've spoken a little --I don't know if it's a school room or union hall or something --I spoke at a little place to a couple hundred of people who listened to me talk for an hour in my heavily North American accent in English, where they speak English down there with their own accent. And so here's this foreigner speaking with his accent that makes it hard to understand. They listened to me for an hour and discussed it for another hour, an entire hour [for a] group of over 100 people. And still there was a line of questions when the organizers finally had to say we're out of time. So this is something that the people at the lowest standing in Namibia are very interested in. I tell you, the same is true of Brazil; I spoke about this at a favela; well at, a neighborhood of favelas in Brazil at a union hall. And I was being translated. And I think I got the biggest round of applause I've ever had in my life, at that meeting.

**Karl Widerquist** 30:22

So it's not, just as I had thought, really a kind of movement of the wealthy parts of the world. India, I mean, is kind of extraordinary.

**Karl Widerquist** 30:32

Yeah, no, but I shouldn't leave out the movement in the wealthy parts of the world; or by the relatively well. There's a movement, especially in Europe, of people who imagine, who want to get off of the capitalist treadmill of school, debt, work. Consume, work, consume, work, consume, get tired, die. They want to get out of that and they are promoting programs and the narrative: "what would you do if your income was taken care of; if you actually had the time to get out there and do things other than follow this treadmill". That has been also a driver of the movement and shouldn't be forgotten.

**Karl Widerquist** 31:11

But the concern --I've talked to these people --and I've not met one of them who's politically unaware that this isn't just for tech geeks who want to just try stuff out and sit by their computer and try to write some new software without the pressure of having to get a job right out of college. That's not just what they're thinking about. They're not just thinking about themselves. They're also thinking about the impact of this on the least advantaged people in their countries. And we forget where they might have a smaller [group of] people in poverty in Europe, but the people who are struggling in Europe are also struggling significantly. It's gotten worse over the last 40 years.

**John Torpey** 31:57

Right. It's interesting that you mentioned tech geeks. It seems to me that in many ways the support in Silicon Valley for these kinds of ideas has been driven by a kind of awareness that, as one guy put it --one billionaire, if I recall correctly-- put it that people are going to be coming with pitchforks. Their image is that everybody's gonna lose their jobs because of automation and technological development, and that they're going to be coming after the people who created that technology.

**John Torpey** 32:33

I think that in the United States that some significant part of the support for it. And obviously, if it's going to go anywhere, it's going to have to go beyond the ranks of tech-geeks and Silicon Valley moguls, who are just worried in a way about their own skins. But there's been a certain amount of populist sort of support for the right, that's a reaction to some of these developments. But one might argue this is a more kind of humane way to address the sorts of challenges that new technologies and automation are going to generate for us. What would you say about that?

**Karl Widerquist** 33:19

Well, yeah. It is a reaction to what technology is generating for us. Because the automation argument, I think people often take it the wrong way, it they talk too much about the future. The automation argument makes a case for UBI today. You understand it properly. Let's talk about "oh, well, we're replacing jobs with machines, and then someday there aren't gonna be any jobs, and so we're gonna all going to need a basic income, or we're not going to be able to survive".

**Karl Widerquist** 33:50

And that gets some people really excited by that. And that's gotten a lot of people into the movement. But for as many people that it excites, it also puts off people for a lot of reasons. One: people think it's implausible. I don't necessarily think it's implausible. It used to be that more technology always meant more jobs for horses. Then one day, more technology meant no jobs, except for handsome cabs and horse racing, and playthings. So that same thing could happen to a lot of human life.

**Karl Widerquist** 34:22

So it could happen. But then you got to get bogged down in this argument that it could happen. Well, maybe it'll happen. But then, to someone who's skeptical about it, you give them an ace in the hole if you say "Oh, it's because eventually there's not gonna be jobs". So well, let's wait until there's no jobs, and then we'll do it. But we should be angry now about what's going on with automation.

**Karl Widerquist** 34:46

Because what we've done is what the welfare system we had --which was very judgmental and harsh, even at its height in the United States in 1960s-- has been gutted. The minimum wage is a quarter of what it was at its height than in real dollar terms. Aid to Families with Dependent Children has been gutted and given work requirements. Unemployment insurance has not kept pace with inflation, and so on and so forth.

**Karl Widerquist** 35:17

We've gutted all these protections for the lower class. And what does that do? That puts the middle class in a worse bargaining position. So the middle class, they just can't say: "Well, it's not so easy for me to take unemployment insurance and live and not take this job, I got to take this job". We have all shared in the activity that has created the automation. That has created the doubling of our economy that we've had since the late 1970s, our economy has doubled. And most of the people who helped to cause this doubling and doing any kind of work between then and now have not shared in it. Almost all of the benefits of that doubling has gone to the top 1 or 2%; they're the only people who, in real terms, are wealthier now than they were before. And maybe 1 or 2%, the middle-class is better off. But that's not their share of a doubling of our economy.

**Karl Widerquist** 36:14

People should be angry about what's happened with automation in the last 40 years. But also, another thing that automation does is whenever it replaces labor, even if it ends up there being more jobs, is it takes your job away, and it creates a new job that you might not be qualified for. And it creates a churning and a painful churning in the labor market, which depresses wages. Because the more people are losing their jobs, the less you have to pay for new jobs. So we're getting lower wages now, and more work uncertainty now because of automation and growth and how we treat it with policy over the last 40 or 50 years. People should be angry about that now. And that's a reason to introduce basic income right now.

**Karl Widerquist** 37:06

We're not going to judge you when you lose your job. We're not going to judge you. There's a basic income waiting for you. If you have to leave your job because it's a bad job or you lose it because it was automated away. For whatever reason, that basic income is waiting for you. That's what we need now for the problems that we have now; the system now. And that's going to help everyone: from the lowest of the low, right up until way above the median wages, well into the middle class. It's going to give all of those people better bargaining power to get a share of that growth that we've all have worked with.

**John Torpey** 37:32

Well, thanks very much. That's a great note on which to end this sort of stick stirring argument for why we should be moving towards a universal basic income now, not 10 years in the future, 20 years in the future, but now. So I want to thank Karl Widerqist of Georgetown University Qatar, for sharing his insights about universal basic income around the world.

**John Torpey** 38:07

Remember to subscribe and rate International Horizons on SoundCloud, Spotify and Apple podcasts. I want to thank Hristo Voynov for his technical assistance and to acknowledge Duncan McKay for sharing his song "International Horizons" as the theme music for the show. This is John Torpey, saying thanks for joining us and we look forward to having you with us for the next episode of International Horizons.