

**London School of Economics and Political Science**

**Department of Social Policy**

# **Basic Income and the UK labour supply**

**Candidate number: 83919**

**Word count: 9483**

SA471: Social Policy and Planning Dissertation

Submitted in partial fulfilment of the requirement of the degree of

**MSc Social Policy (Research)**

September 2013

## Abstract

While various income scheme experiments in the developing world have increased labour supply mainly due to increased nutrition, access to healthcare and incentives from local stimulus, critics of such proposals argue that in a developed country such as the UK with healthcare free at point of need and an existing benefits system which has almost totally eliminated caloric deficits, a Basic Income scheme would negatively affect labour supply with socially costly consequences.

This paper examines this argument, then reviews the evidence for and against this hypothesis, drawing on income scheme experiments, psychological literature and a number of studies of comparable recipients of unconditional incomes such as state pensioners and lottery winners, and concludes that there is some evidence of a likely reduction in labour market participation at least in the short run, particularly among secondary earners in households, but when compared to other factors affecting participation and employment rates it is small, and the consequences for well-being and other outcomes are positive rather than costly. This conclusion is considered in the context of a changing labour market and goals of social security policies.

## **Acknowledgements**

Many thanks to Profs Hartley Dean, David Piachaud, John Macnicol, the Rev'd Dr Malcolm Torry and Evelin Sawall.

## CONTENTS

Introduction	.....	p.4
<b>1. The Basic Income Debate</b>	.....	p.5
Why is Basic Income and the labour supply argument relevant now?	.....	p.5
Basic income and labour supply in the context of New Social Risks	.....	p7
What sort of Basic Income Scheme will this paper be referring to?	.....	p8
An examination of the labour supply argument	.....	p9
Summary of the labour supply arguments	.....	p12
<b>Review of The Evidence</b>	.....	p13
<b>2. Models, trials, reforms and experiments</b>	.....	p13
Modelling	.....	p14
Pilots and Experiments	.....	p17
Laboratory Experiments	.....	p18
Real world trials, pilots, policies and experiments	.....	p19
Namibia	.....	p20
Brazil, Alaska and Iran	.....	p21
India	.....	p22
US and Canadian Income Scheme experiments in the 1970s	.....	p23
<b>3. Possible Comparators</b>	.....	p26
Pensioners	.....	p26
Lottery Winners	.....	p29
<b>4 Psychological Literature</b>	.....	p30
<b>5 Conclusion</b>	.....	p31
<b>6 Discussion</b>	.....	p33
<b>References</b>	.....	p35

*"To be poor is to have too little money. The immediate need of the poor is for more money. The immediate need is not moral uplift, cultural refinements, extended education, retraining programs or make work jobs, but more money."* Robert Theobald, 1966

## **INTRODUCTION**

There are a large number of different proposals for basic income schemes but they all have in common the central component of disconnecting labour, wealth and income: the Basic Income Earth Network and the Citizen's Income Trust give similarly concise definitions of Basic (or Citizen's-, the expressions are used interchangeably by most scholars) Income as 'an income granted by right to each individual without means test or work requirement' (BIEN), 'unconditional, nonwithdrawable income paid to every individual as a right of citizenship' (Citizen's Income Trust), normally paid in place of many other state benefits, leading to emancipation from bureaucratic supervision, more flexible labour markets and reduction in social stigma.

Critics of such schemes have two principle objections: the potential for increased tax burden and the potential negative (and socially consequential) effect on labour supply (Gilroy, Schopf and Semenova, 2012). It is this second objection which will be explored in this paper, with reference to the United Kingdom in particular. What would be the effect of a Basic Income on labour supply in the UK? Would people work less, and would it matter if they did?

The first section sets out the debate on Basic Income in more detail and why it may be likely to become a more widely discussed proposal in the current and future economic climate, considers it in the context of New Social Risks, and critically examines the

labour supply argument. In the second section, the evidence for and against labour supply effects is examined, and the third section considers the implications for policy.

## **1 THE BASIC INCOME DEBATE**

Theorists and scholars from a wide variety of perspectives have advocated for unconditional or minimally-conditional income schemes to ameliorate social risks: from libertarians like Milton Friedman (1968) and social conservatives such as Charles Murray (2006), to the socialist arguments of Wright (2006). Such schemes are devised to resolve a number of problems with existing benefit systems: reliance on inefficient and slow-acting administrative bureaucracy, employment traps created by high marginal withdrawal rates, stigma experienced by recipients, incomplete take-up of benefits and the 'couple penalty' by which means tests may disincentivise communal living and/or increase spousal dependence. Additionally Basic Income proponents anticipate an increase in social cohesion, ascribed to the effects of reduction in inequality via income redistribution and by giving all citizens a common experience of a financial relationship with the state. Social cohesion could also be strengthened by workers shifting their time more towards community-oriented activities enabled by some decommodification of their labour. Basic Income has been advocated as “the most emancipatory way of fighting unemployment without perpetuating poverty or of fighting poverty without generating unemployment.” (Van Parijs and Vanderborght, 2012).

### **Why is Basic Income and the labour supply argument relevant now?**

Discussion of Basic Income can be, as Groot (2004) has observed, contra-cyclical: “If

unemployment is high and to a large extent involuntary, the policy to push the unemployed to accept (non-existent) jobs or to curtail social benefits becomes highly controversial, and as a corollary, forms of BI (or negative income tax) become more fashionable.”

It is certainly plausible that Groot's conditions for the fashionableness of Basic Income are met: in 2002, when the UK unemployment rate was at just over 5% (ONS)

Burchardt and Le Grand found using British Household Panel Survey data that “after taking into account as many constraints as possible, one-tenth of the non-employment in our sample is unambiguously voluntary, with a further one-tenth being indeterminate.”

At time of writing the UK's unemployment rate is just below 8%, considerably higher than a decade previously; it is not likely that the proportion of unemployed workers whose condition is voluntary is higher now than it was then. The current workfare scheme also requires of some claimants that they work for no pay above their existing benefits and some expenses (Department for Work and Pensions, 2013) on pain of cessation of benefits which might satisfy Groot's 'push into non-existent jobs' criteria. So will interest in Basic Income decline as the economy returns to growth?

Perhaps not- it could be that the current attention to Basic Income goes beyond a contra-cyclical interest brought about by temporarily high structural unemployment: across most developed countries (and seven of the eight largest world economies) there has been a sustained drop in the wage share of GDP since the early 1980s (Karabarbounis and Neiman, 2013). Though this change is not observed in the United Kingdom (the only one of the eight largest economies not to experience a significant decline in wage share, possibly due to a proportionately very large financial services industry- financial services being the sector in which labour share increased the most) it points to a trend in which labour, particularly lower skilled labour, is in less and less demand. This has been

partially masked in many countries by rising levels of education overall- more workers have higher level qualifications than ever before but for those at the lower end demand is significantly falling and real wages are in decline (Carnevale, Smith and Strohl, 2010). In such circumstances, it certainly seems like now is an apposite time to discuss Basic Income.

### **Basic income and labour supply in the context of New Social Risks**

Most existing social security policies have been built on the 20th century model of social risk- treating “sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care, and the provision of subsidies for families with children” (Standing, 2000) as exogenous contingencies, to be provisioned against by schemes of social *insurance*. Such systems are built on assumptions about employment and the labour market which no longer hold true in the absence of stable demand for low skilled employment.

Taylor-Gooby (2004) identified declining demand for un- and low-skilled labour as one of four processes giving rise to New Social Risks, citing technological investment and outsourcing as the cause. The other three risk factors in his typology are also relevant to a discussion of Basic Income and the income effect on labour supply: women's entry into the workforce and the childcare burden; especially relevant given the arguments about withdrawal from participation in the labour market; an ageing population which requires both state and informal familial care, the physical burden of which also disproportionately falls on women; and increasing privatisation and devolving decision-making to recipients leading to the risk of commitment to unsatisfactory choices. This last point is particularly of interest to Basic Income advocates, as a key argument in

support of the proposal is the importance of personal autonomy over how income is allocated; bad choices made by recipients in how their payments might be spent could undermine this. Though this paper is limited to the labour market behaviour question, there is some evidence that the psychologically beneficial effect of income security (discussed later in the paper with reference to labour market activity) might also improve decision making on the part of recipients.

### **What sort of Basic Income Scheme will this paper be referring to?**

Firstly it is important to distinguish between a Basic Income and a Negative Income Tax. With a Basic Income scheme, a grant is given to all and the effective withdrawal of this benefit for higher earners occurs, as earned income rises, by the application of income tax. With an NIT no tax is levied on the first tranche of income but instead the benefit is gradually withdrawn as income rises until a breakeven point. The two schemes can be constructed so that their financial impact on a household would be exactly the same.

De Wispelaere and Stirton (2004) argue that as basic income has ceased to be perceived as 'yet another idea of the crackpot left' the debate has broadened to comparisons between schemes which can be differentiated in a number of dimensions: the degrees of conditionality, universality, individuality, uniformity, frequency and modality of payments (cash or in kind) and of course adequacy to meet needs.

For the purposes of this paper the term 'basic income' will refer to a scheme similar to that proposed for the United Kingdom by the Citizen's Income Trust (2013) which is: unconditional, limited by citizenship and residency, paid to the individual citizen rather than households or other units, differentiated by age only, and paid weekly as cash

income. As for the level of that income, the CI have estimated that it would be fiscally possible to offer at least the level of Income Support/ pension credit rate for the age group- that is, £56.25 per week for 16-24 year olds, £71 for 25-64 year olds and for those 65 and over, £142.70

### **An examination of the labour supply argument**

The most common objection to Basic Income schemes (aside from the cost, which is not within the purview of this paper) is an expectation of negative effects on labour supply. Gilroy, Schopf and Semenova, (2012) present the core of the labour supply argument as driven by neoclassical theory: the motivation of *homo economicus* to perform work is pecuniary, to provide for consumption. If a Basic Income were provided at a level sufficient to maintain a basic standard of living, unemployed individuals would cease their job search and at any level of payment employed individuals might partially or even fully withdraw from the labour market. Hauser (2006, p67, own translation), writing in response to German Basic Income advocates, argues that 'the groups among which a particularly strong decline should be expected would be long-term unemployed, women with childcare responsibilities, older paid employees and probably lots of entry-level employees.' There is no citation given for this expectation but broadly the groups he describes are those with a more tenuous connection to the labour market either due to low skill level or high 'leisure' demand in the case of the elderly and women with childcare responsibilities (here 'leisure' is used strictly to mean everything that is not paid employment- the unpaid work of childrearing is counted as leisure).

The potential for this withdrawal is often couched in a discourse of anxiety about a conflagration of 'wickedness and idleness' (Schroeder, 2001). Offe (2008) gives the three

major normative objections: 'the idle should not be rewarded, the prosperous don't need it, and there are so many things waiting to be done in the world' situating these objections as part of a 'productivist' philosophy characterised by drive to maximal employment.

This is not a new argument: the Basic Income Earth Network (2013) quotes the concerns of JL Vives in 1526 on requiring a work commitment from claimants when proposing a poor relief scheme in Bruges: “being busy and engrossed in their work, they will abstain from those wicked thoughts and actions in which they would engage if they were idle”.

The prevailing assumption by critics of Basic Income is that if given the option, workers will choose not to work at all with dire consequences. These concerns have been shown to be unfounded in experiments in poor countries- in such circumstances a modest financial transfer is associated with higher rates of job seeking (and job-finding) by improving the living standards of jobseekers (both employed and unemployed) enough to enable them to look for and find work without disincentivising those in work from leaving it altogether. In South Africa (Standing and Samson 2003, p29) and Namibia under the Namibian Basic Income Grant pilot (Haarman, 2009, Kaufman 2010) this has been through the most basic means: having sufficient food to maintain energy levels while engaged in job search or entering self-employment, meeting basic health needs, buying or repairing clothes to wear (see later discussion of the reliability of evidence from NBIG in the evidence review).

There is however a considerable degree of uncertainty about what the effects might be in a richer country such as the UK: the unemployed are not starving, they have free healthcare, and even with a Basic Income as low as the current rate of Jobseekers' Allowance would enjoy a standard of consumption far in excess of even a relatively prosperous worker in the developing world. Though this line of thinking gives little

weight to concerns about the socially excluding effect of relative poverty, it does suggest that the arguments in favour of Basic Income as the primary social security system in the developing world might not apply somewhere like the UK- indeed one of the strongest arguments emerging from Basic Income experiments in developing countries is its strength as a mechanism to sidestep corruption among bureaucrats (Standing, 2008). Just as we should give this more weight in countries such as South Africa, Namibia and India (ranked 58th 69th and 94th respectively in the Transparency International Corruption Perceptions index 2012) than to the UK (17th), critics of Basic Income proposals in wealthy countries argue that reports on the income effects on labour market activity from the developing world are not externally valid to an economically developed target population.

The debate over the labour supply effect of Basic Income is not solely a proxy conflict over neoclassical theory however; it is still possible to subscribe to the *homo economicus* model and still anticipate a positive labour supply effect from an unconditional source of income due to the removal of unemployment traps- situations where a benefit claimant experiences such high rates of benefit withdrawal as they work more hours that the incentive to do so is nullified. What neoclassical objectors are arguing is that the preference of recipients will be to avoid work, preferring a lower level of consumption and more leisure time to working more hours and receiving more pay. Outside the neoclassical model are more recent behavioural findings which suggest more complex motivations for seeking employment than simply increasing consumption, which will be explored in the next section.

As well as traditional neoclassical objections, critics such as Hauser (2006 p69, own translation) have argued that aside from the individual behavioural effects, wage agreements, particularly those negotiated between trades unions and employers, would

settle at lower levels if employers were aware that employees had an additional income. Hauser is writing from a German perspective where there is no national minimum wage other than agreements between unions and employers, so it is not clear how this mechanism might work in the UK where there is a minimum wage policy in place- though how a minimum wage might look (or even if it would survive) under a Basic Income has been a matter of debate among proponents of the idea. Atkinson (1995) among others argued prior to the introduction of the UK's minimum wage in 1998 that income schemes could be an alternative to rather than compliment a minimum wage. Clark and Kavanagh (1996) also favoured this libertarian approach which would allow flexible labour markets to clear at low wages while preventing poverty. This remains a matter of debate for Basic Income advocates today.

### **Summary of the labour supply arguments**

To summarise, Basic Income proponents need to answer three key arguments from labour supply objectors, which range from the strictly economic to the more sociological:

1. The neoclassical income effect argument: will citizens prefer leisure time over working and increasing consumption, or will they be incentivised to work more by lower marginal benefit withdrawal/tax rates? How would this be affected by the level at which citizen's income was paid?

Recalling Hauser (2006), would this affect different groups in different ways- would parents (single and paired), the low skilled, the elderly, the young react differently? Do people work for reasons other than consumption? Would they continue to work even if

their basic needs were met?

2. The social harm argument: if there was a reduction in labour supply, would this come at a social cost?

## **REVIEW OF THE EVIDENCE**

### **2. MODELS, TRIALS, REFORMS AND EXPERIMENTS**

The best way (as advocated by Groot [2004] among others) to discover the effect of a Basic Income along the lines of the CI Trusts' plan on the labour market of a developed country such as the UK would require the use of a randomised controlled trial, a large sample size for sufficient statistical power and consequently a large budget. Even then scale and equilibrium effects might nullify even the most robust effect and the external validity of results would only be temporary- social and economic changes would quickly erode the generalisability of results to the target population and would anyway need to be traded off against risking reporting results too early and only discovering short-term effects, or behavioural responses altered by the knowledge that the project would come to an end (Marx and Peeters, 2008).

Frustratingly for those interested in Basic Income in developed and mature labour markets this experiment has not been conducted and absent a considerable change in political climate (explored in the next section) it remains unlikely.

What does exist is a range of literature from which some conclusions may be drawn and applied to the UK case, which will be explored in four categories: modelling, field experiments, possible comparators and psychological and behavioural findings.

Literature was selected for each subsection via keyword searches on a number of academic databases including LSE Summon, JSTOR and Google Scholar as well as a physical library search and includes peer reviewed journal articles as well as 'grey literature'- working and discussion papers and government briefing reports. Statistical material is drawn from the Department for Work and Pensions, the National Centre for Social Research and the Office for National Statistics.

It would not be possible to find every example of a Basic Income trial or comparable experiment or programme but all which emerged from this search have been referenced or included.

## **Modelling**

Gilroy, Schopf and Semenova, (2012) have modelled a German Basic Income in response to Hauser (2006)' s income effect assumptions, based on the neoclassical model, that a Basic Income in Germany would result in a reduction in labour supply. Comparing the Hamburg Institute of International Economics (HWWI) Basic Income proposal, a €600 per month income and €200 per month personal care voucher in lieu of a number of existing benefits, they conclude that when compared with no social security system at all there would indeed be a reduction in labour supply- the choice there would be to work or starve. But when compared to a conditional social security system, they find that “Some employees will for sure reduce their labor [sic] supply as they can consume more and work less than before. But, due to the abolishment of the unemployment trap, it is very likely that the overall labor participation rate will increase.”

They model the potential labour market activity of three typical individuals with

different preferences and existing labour conditions: for the not-working, they find only an incentive to increase in labour supply, and varied responses for those employed depending on consumption preferences.

The key limitations here and with all such modelling are twofold- what assumptions can be made about these preferences, and what proportion of the population would match the characteristics of the models they have used? Even for the German case, this cannot be definitive, and though this finding cannot be compared to the UK due to the differences between the two countries (not least the absence of a standard minimum wage in Germany and the greater role of trades unions) it challenges the assumptions of Hauser and others on their own terms- without venturing beyond the neoclassical model of labour markets.

Serati (1999) has modelled a Basic Income proposal in Italy and, assuming an income paid at a level slightly below the normal rate of employment benefits, concludes a greater employment and participation rate is likely.

The Citizen's Income Trust have estimated similar effects for their own proposal (2013): by reducing unemployment traps (unlike the Italian case, assuming a Basic Income paid at the same rate as unemployment benefits), they assume an increase in labour supply due to higher incentives. They compare the UK's existing conditional system, where steep withdrawal rates of benefits as working hours (at minimum wage) rise from zero disincentivises workers from working further hours, to a Basic income model in which each hour of work and the income that it brings, while taxed, provides a consistent incentive.

The problem with such models is the assumptions they make about preferences, which are in type and distribution unknown. Strict neoclassical models do not take into account

preferences for labour other than as a necessary 'cost' of consumption. An attempt to answer this point is made by Gamel, Balsan and Vero (2006) by linking a similar model to a survey of young people in France. As they could not find a sufficient number of unemployed youth to take part in the survey, all responses come from those with some employment, be it part or full time, but they have attempted to discover what a narrow subset of the working population would do (or at least would tell a researcher they would do) in the event of being paid a Basic Income, in this case around €300 (asked in the survey as 2000F, being denominated in Francs as it took place just before the introduction of the Euro to France).

The researchers find a negative relationship between proposed receipt of Basic Income and labour supply, with approx 30% of the sample indicating they would work fewer hours, with those whose employment was most tenuous and unstable, 'secondary'-type work most likely to say they would invest their extra income in job search, training or education. Of those who said they would not change their behaviour, 20% cited their suspicion of Basic Income as the reason, and over half answered that their jobs were too interesting to leave for such a sum (all respondents choosing from a list of answers).

So what can modelling tell us about our two key arguments? On income effects and incentives, none of the neoclassical models find a negative effect on overall labour supply- but all have been constructed by advocates of Basic Income to answer this known objection. Perhaps all that can be concluded with confidence from these findings is that neoclassical assumptions do not *necessarily* demand a fall in labour supply as a result of Basic Income introduction. Incorporating actual humans into models via survey responses (though stated preferences are not always a reliable guide to future behaviour) seems to suggest a mild fall in labour supply, but particularly noteworthy is the finding

that higher preference for investment of the additional time/income was found among those with the least stable employment, while those who were better settled in their jobs were more likely to want to consume leisure by allowing their earned income to fall and the difference being absorbed the Basic Income grant. This suggests that the normative concern about a fall in labour supply leading to idleness might be misplaced, and perhaps it is time to examine the long run effect on rewarding productivity rather than simply hours worked- particularly in view of the finding that the majority of those who anticipated no change in their employment status gave their interest in their work as the reason.

### **Pilots and Experiments**

Despite the lack of a large scale modern experiment in the UK (or a sufficiently similar country) to test the labour supply effect hypothesis, there are a number of experiments, pilot schemes and studies of existing income scheme reforms conducted around the world which may offer insights into the UK labour market question. When comparing these projects to the ideal type from the introduction to this paper: a large sample, with randomisation, with a non-withdrawable income paid at at least the unemployment benefit replacement rate to a population with state provided healthcare and education under modern social conditions and norms; most do not come close; but there are potential insights to be drawn nonetheless.

## Laboratory Experiments

Before examining the 'full scale' experiments and their findings, one experiment which may sit between models and government funded field trials or schemes is Haigner, et al's (2012) attempt to test the behavioural response to Basic Income, not in the field but the lab, an approach advocated by Noguera and De Wispelaere (2006) and Widerquist (2006) among others as a bulwark against political interference as well as greater psychological precision.

The researchers presented scenarios including a model Basic Income to Austrian students who had to complete tasks for payment in a lab setting and found only a small negative labour supply effect from Basic Income- though the authors caution against generalising from this to the wider population. Only the very short term effects can be studied in this way as their student volunteers only participated for 75 minutes, and expected effects of a basic income on ability to take part in education or training or even social changes such as the regard with which charitable volunteering and unpaid work is held cannot be estimated from this model. A similar finding was reported from a Basic Income lab experiment in Japan (Toshiji 2008, translated 2011). A real-work task was rewarded according to either a Negative Income Tax or a Basic Income, and the researchers found that the overall rate of labour supply was lower in the Basic Income model. What is particularly interesting about this study however is that despite the explicit design of the experiment to make the two schemes completely interchangeable, such that there was the same relationship between gross and net income in either the NIT or the BI scenario, there was a significant difference in the labour supply between the two, with Basic Income faring the poorer.

The researchers attribute this to the satisfaction of their volunteers with their initial

income level and lack of interest in pursuing any further tasks to earn more- after all in this experiment the living standards of the participants would not be affected by the relatively small sums involved. Again it is hard to generalise from such a study for similar reasons, but as the authors note the disparity in outcomes between a simulated NIT and Basic Income is of particular interest for future research, though the potential benefits of such experiments may be limited. A key consideration is how households spend their time/income under Basic Income or other proposals and an experiment looking only at individuals with no measure of interrelatedness between them does not explore this- though it's possible that a more advanced design could attempt to take these measures into account.

### **Real world trials, pilots, policies and experiments**

Recent 'Real world' projects (not necessarily trialling Basic Income per se) which have caught the attention of researchers interested in Basic Income include the recent trial of a small scheme in one region of Namibia (Haarman, 2012), Iran's recent reform replacing price subsidies with an income grant to households as well as a similar reform being trialled in India. There is also the case of Alaska, whose current status as a developed, unconditional income-paying state would make an ideal testing ground for the central labour market question were the payments a) higher b) not subject to fluctuation from the performance of the Alaskan Permanent Fund and c) if there were reliable studies estimating the labour market effects of the payment.

Also explored in this section are the North American Income scheme experiments of the 1970s whose impacts remain debated today, but whose generalisability to a modern population with different norms grows more difficult as time passes.

## **Namibia**

The Namibian case is particularly interesting since a modest individual Basic Income was established as a pilot in one region (Kaufmann, 2010) with the particular goal of convincing a sceptical Namibian government (see Shangula, 2005 for the view of a then government minister very hostile to the plan) of the value of widening the scheme to a national scale. The proponents of the scheme report (in Haarman, 2012; work not subject to peer review) greater labour market participation, which they attribute to the payment raising living standards to the point that participation is possible through sufficient food, paying for healthcare, meeting shoe leather costs of job search leading to better matching between employer and worker or investments in skills or tools leading to higher wages or self-employment income (Haarmann, 2009). This assessment has met with some scepticism, notably Osterkamp (2013) who notes the poor methodological validity of many of the measures used to estimate effects such as lack of control groups and inconsistencies in survey reports particularly about the income of the participants, and concludes that the imperative for researchers to 'argue soberly and to present convincing evidence... has failed by a wide margin in Namibia'. Even if the results of the Namibian project were more internally valid, the extent to which this effect could be generalised to the UK is limited- poor Namibians are too different in their needs, norms and responses to be able to tell much about the UK labour market case.

A significant criticism of Osterkamp's is that Basic Income advocates are involved in running many of these schemes and their judgement may be biased in favour of finding positive effects, which has implications for future research in this area.

## **Brazil**

In a working paper on arguing the case for cash transfers, Standing (2007) quotes Schwartzman (2005) to support his argument that *Bolsa Escola* (school stipend), an early school enrolment based cash transfer scheme preceding the more wide-ranging *Bolsa Familia* “led to increased female labour force participation”

Standing, quoting Schwartzman: “Instead of the expected negative correlation between *bolsa escola* and work, we find the opposite: those receiving the stipend are the ones that work more.”

However the full context of this extract from Schwartzman refers to child (age 10-17) labour, not adults; this passage refers to a *negative* labour supply effect which in the case of people of school age is actually a *positive* finding in this case- a goal of the cash transfer project was to free children from the labour market to participate in education. This corroborates the survey finding from France by Gamel, Balsan and Vero (2006); a reduction in labour supply can be a positive outcome if the resultant increase in free time is invested wisely.

## **Alaska and Iran**

Iran and Alaska have surprisingly similar policies: both are using natural resources wealth to fund an income grant, Iran (2010, Tabatabai 2011) more recently than Alaska (1982, Goldsmith, 2005).

The system in Iran involves a series of price subsidies being abolished in favour of direct income grants to households, a system also being trialled in India but yet to feature published results.

Alaska pays its income to individuals, from the dividends of the Alaska Permanent

Fund. The level of payment is much lower than the schemes being proposed by Basic Income advocates, and fluctuates according to the fund's investments. Alaska minimum wage is \$7.75 (Alaska Division of Labor Standards and Safety) so yearly fulltime income (40hrs x 52 weeks) yields \$16120 of which the 2012 payment of \$878 is roughly 5.5%, which is a similar proportion of the minimum wage income as is paid in Iran, which pays \$17 per month; Iranian minimum wage income per month is approx US\$300 (Tabatabai, 2011).

Neither case provides much data for labour supply arguments; though the amount paid is low enough that any effects would be hard to measure (Osterkamp 2013). Goldsmith (2010) compares the effect of the Alaskan income grant to the 'Hawaii effect', a general population pull in which a common benefit (such as Hawaii's pleasant climate and beaches or Alaska's income grant) serves to pull in outsiders and thereby drive down wages, but this is strictly speculative.

## **India**

India's current experiments have yet to produce results, but preliminary reports (SEWA Bharat, 2013) from an experiment conducted by Standing in conjunction with an NGO seem to be of higher methodological quality certainly than the Namibian trial, with a good sample size of 6000, three stages of data collection and most importantly clustered randomisation at the village level. Unlike Iran and Alaska the rates of financial transfer are slightly higher for the participants, who are almost universally poor. The amount given to adults was 200 rupees/month in initial pilots and 300 rupees/month in later trials, which was calculated (according to the researchers) to be around 20-30% of the expected income of the households of participants- though it is not clear from the

preliminary report whether this means that 200 or 300 rupees is around 20-30% of *household* income or whether the combined grant of 200 or 300 rupees given to *all householders* would add up to this total, which makes drawing a conclusion extremely difficult. The researchers do state that they chose the amount in order that it not be too high to discourage labour supply, and interestingly given the justified scepticism over the Namibian pilot, they report increased work in the treatment individuals and villages compared to controls, though a slight shift from waged labour to self-employment in own-account agriculture (which might disguise underemployment or a hidden reduction in labour supply).

Again due to the small level of the grant and very different social structure compared to the UK (one chart in the SEWA Bharat presentation compares the savings rates between individuals belonging to 'Scheduled castes, Scheduled tribes and Other Backward Classes') it is hard to generalise to the latter country, however this does present more reliable evidence that unconditional cash transfers can lead to an increase in labour supply, if only among the very poor.

### **US and Canadian Income Scheme experiments in the 1970s**

On a larger scale there are a number of experiments with local income schemes conducted in the United States and Canada in the 1970s- four in the United States, to cover different population groups- urban and rural, single parent and dual parent families, working poor and welfare recipients (Levine et al, 2005), and one in Canada, called 'Mincome', which took place in Manitoba.

Though none of the projects was a true Basic Income scheme, they all came with an unconditional income guarantee- participants in the scheme would receive an income

whether they worked or not. Widerquist in Levine et al (2005) says of the comparison between the experimental Negative Income Tax schemes and Basic Income: “the similarities are enough that what was learned from the NIT experiments is extremely important for understanding the potential performance of any form of basic income guarantee in the future.”

The scale and quality of data recorded in these experiments is notably higher (in particular for the United States experiments- Forget [2011] describes the gradual withdrawal of funding for Mincome and the negative impact on data quality as interest in such redistributive tax schemes waned) than many other schemes at play today. Although as Widerquist (2006) notes there was a great deal of political interference and pressure to report early results, the experiments were much more methodologically sound than even more recent projects- control groups were included and randomised which was unusual for the time (Widerquist in Levine et al, 2005).

Widerquist (2005) reviews the evidence from both the United States and Canada on the labour supply question and provides several observations, the most significant of which for this paper's purpose is as follows: “*The question of whether an NIT system or conditional welfare system or a similar size would have a larger work disincentive is still unanswered.*”

Overall, all analyses of the experiments report a decline in labour supply, but no evidence of withdrawal from the labour market altogether. The reduction in supply came mostly not in hours per week but in terms of longer periods of un- and non-employment (though as Widerquist notes this longer spell out of work could reflect a superior match between employer and employee, especially given that the experiments did not show a statistically significant effect of workers abandoning the labour market entirely), and

that this effect is strongest among secondary and tertiary earners in the household.

Widerquist's review finds reductions in labour supply of primary earners of around 5-7% and reductions of between 20 and 30% for secondary earners, in this case women and younger people, as well as lone mothers.

On the social harms side, the reduction in labour supply is comparatively small- a full time worker who remains non-employed for an additional two or three weeks per year can hardly be said to be idle- but did this relatively small 'idleness' result in negative outcomes? Widerquist's review cites a large number of studies which find positive effects on health and wellbeing measures such as children's test scores in the experimental data, and Forget (2011) reports lower hospital admissions levels, lower rates of mental illness and reduced health expenditure from the Mincome project in Canada.

### **Models, Trials, Reforms and Experiments Summary**

What can they tell us about the potential effects of a Basic Income in the UK with reference to the two key questions- would labour supply decrease, and would it be socially costly?

#### ***Income effects and incentives***

A rough rule of thumb emerges from the literature reviewed in this section- the more robust the study and the more similar the target population to the UK, the more likely a negative effect on labour supply is to be found. Models constructed by Basic Income enthusiasts and projects like the NBIG in Namibia with limited oversight or cash transfers in India among the very poorest find a positive effect on labour supply, lab

experiments and surveys involving people in developed countries begin to find a negative effect, and a statistically robust (though small) negative effect is found under randomised experimental conditions in North America.

***Social harm- if people don't work as much, will it matter?***

The evidence here would be more cheery for a Basic Income proponent- the effects of this labour supply reduction seem to be concentrated in longer periods of unemployment which could have the benefit of more satisfactory and productive matching.

As for social outcomes, indicators like health, wealth, better educational outcomes and happiness are all raised by unconditional income- suggesting perhaps that rather than leisure being consumed as a normal good it is being invested alongside additional financial resources for a potential large individual and social gain.

### **3. POSSIBLE COMPARATORS**

In the absence of a large scale experiment one might search for comparators in circumstances similar to a Basic Income to observe; this section discusses what state pensioners and lottery winners might reveal about the behavioural response to a Basic Income and the costs and benefits of such a policy.

#### **Pensioners**

There is a group of citizens in the UK who receive a non-withdrawable state income which is not conditional on employment status: state pensioners. Since the earnings rule was abolished in 1989 pensioners face no restrictions on employment (Disney and Smith

2002) and the state pension in the United Kingdom has thus become the largest scale unconditional (at time of receipt) benefit and might be a good comparator for estimating income effects on the general population- with a number of caveats, explained in the next paragraph.

Before proceeding with this it is important to clarify the limitations of such an approach. Though pensioners receive their income without employment condition, it is based on the contributory principle, that people receiving this benefit have earned it by 'paying in' through their contributions over their working lives- though this is in practical decline, a result of policies aimed at widening inclusion under left wing governments and means tested targeting from right wing administrations (Hills, 2003) to the point that for many pensioners their contribution record is in practice irrelevant to the amount of payments to which they are entitled (Williams 2009). Despite this the contributory principle is still popularly regarded as providing legitimacy to all pension payments- particularly, as Clasen (2001) and others have argued, because of the complex and opaque way in which entitlements are calculated- many people are unaware that their payment record does not affect their entitlement, or that the funds they have been 'paying in' do not exist in an account gathering interest. As Macnicol (2008) puts it, the UK has “a tax-funded scheme but pretends to be a fully-funded contributory insurance one”.

Rather than Basic Income recipients who in the ideal model of BIEN and the CI Trust would receive their payments by right of citizenship as a share of national wealth, pension recipients are seen to have 'earned a rest' after a lifetime of contributions. This social meaning of retirement must have considerable effects above and beyond all the other factors which might influence formal labour market participation or withdrawal, all of which would have to be cleaved away in order to accurately estimate an income

effect. To do so would be highly speculative- but the question of income effects is far from settled, so something may be gleaned from the literature about pensioners.

The first point to note is that a simple income effect model of generous pensions funding earlier retirements or vice versa is not sufficient to explain the trends: older people are not solely leaving work when they get their pension, although there is considerable bunching of retirement at pension age: Barrell et al (2011) for the Department of Work and Pensions note that “almost two-fifths of men retire between ages 64 to 66, while two-fifths of women retire between ages 59 and 62 inclusive” though the figures they use are from 2009, before the abolition of compulsory retirement at 65. Even so Berry (2010) notes that the 'overwhelming majority' of men and women do not retire within 12 months either side of the State Pension Age. Hirsch (2003) concludes “it is not principally money that determines whether older people work, but other factors including their perceptions of the workplace, their ability to obtain and retain employment and what is happening in their personal lives”

Berry (2010) argues there are 'no clear lines of causality' regarding income and retirement, but observes a number of associations which suggest that though older people are facing different problems and choices from their younger working age counterparts, there may be some considerable overlap with what we know from the previous sections of this paper:

Berry concludes: “good pensions coverage generally increases the likelihood of early retirement, and vice versa”- an income effect. Yet this is offset by his finding that there is “evidence that high professional status or job quality encourages later retirement. Low job quality generally leads to earlier retirement, and overlaps with ill-health in this regard.”

This chimes with earlier findings, that motivation to stay in work once labour has been partially decommodified depends on interest, stimulation and status- and suggests a greater income effect on withdrawal of labour supply from those with a more tenuous connection to the labour market.

Though some of the patterns affecting income and labour supply may be similar to those observed in previous sections of this paper, the nature of the labour supply withdrawal is very different- unlike the Negative Income Tax participants who spent longer between jobs but did not leave the labour force or the French survey respondents who anticipated withdrawing to train or pursue education with an eye on future productivity, in the case of retirement this is a permanent end to paid employment, so one would expect social costs from less time spent in the labour force to be more pronounced.

The withdrawal from the labour market in retirement is associated in the popular press with significant harms (Ekerdt, 1987), feeding into Offe's (2008) productivist philosophy argument- but academic literature is more measured. Dave, Rashad and Spasojevic (2006) using Health and Retirement Study data find modest decreases in physical and mental health on retirement but that this is mediated by social networks and activity level. Being married, volunteering or taking up part time work appears to mitigate these effects- so it seems that the labour supply reduction is individually harmful when it leads to social isolation.

### **Lottery winners**

Although lottery winners are disparate, few in number and have double selection problems as an experimental sample- lottery players not being typical of the population

as a whole and often being wary of media attention, making a collected sample of lottery winners unlikely to be representative- they do receive unconditional income. In the case of the Belgian '*Win for Life*' lottery, a fixed regular monthly income for life. Marx and Peeters (2008) used a sample of winners (around half of all winners to whom they sent postal surveys) who receive €1000 per month to investigate the labour supply effects of unconditional income

Unlike a Basic Income this amount does not change with inflation and the social context of receiving it is not the same, certainly compared to a state pension in the UK which has a greater degree of popular legitimacy

With a small sample of 84 that there was some decline in total hours worked. One single person (of 14) quit working, and four people who were part of a dual-earning couple reduced their worked hours (41 such couples in the sample). Of couples where only one partner was working, none stopped work altogether. With such small numbers it is hard to generalise but it is interesting that the researchers found a similar response to other findings- a small reduction in labour supply most noticeable in second earners.

#### **4. PSYCHOLOGICAL LITERATURE**

So far this paper has looked at models, lab and field experiments, reforms, and comparators, but there is some psychological literature relevant to this question.

One point from Marx and Peeters which stood out is many of their survey respondents reported that the biggest effect on their life from their €1000 per month stipend “was the reduction of uncertainty about the future. W4L [*Win for Life*] provides security for the future and generates a more relaxed way of living, in which people are able to make

balanced choices”.

This argument, that a Basic Income would allow for more considered long term decision making, has been made by Standing (2002) and is supported by findings that temporary financial insecurity can be sufficient to impair cognitive function: Mani et al (2013) found a negative poverty effect on cognition, an effect *independent* of stress, suggesting that “poverty-related concerns consume mental resources, leaving less for other tasks”. Though this might not directly affect labour supply in terms of hours worked, it would certainly have an impact on productivity.

Other studies have shown considerable negative health effects from job and income insecurity (e.g. Heaney et al, 1994), and given that a large proportion of those who withdraw from the UK labour market both at retirement age (Berry, 2010) or of working age (Emmerson and Tetlow, 2006) do so for health reasons, the stressor-smoothing effect of income security could well raise labour supply as well as productivity in the long term.

## **5. CONCLUSIONS**

The labour supply objections to introducing a Basic Income or any unconditional income scheme in the UK are: that if supported by such an income, people will reduce their working hours, and that this reduction will be socially costly.

### ***Labour Supply and Income Effects***

Looking at the evidence for the labour supply question a clear pattern emerges- **the better quality and more appropriate to the UK target population a study is, the more likely it is to show a modest negative income effect on labour supply.** The US

NIT experiments, Mincome, survey responses, laboratory experiments and lottery winners all showed a similar response- unconditional income led to some people reducing their labour supply, though very little sign of total withdrawal from the labour market was evident. In the case of the US Negative Income Tax experiments this manifested as slightly longer periods of non and unemployment, potentially leading to better matching between employer and employee; though this is unproven. The mild paid labour supply reduction was particularly focused on second earners in families, which in many cases will not be about consuming leisure but care work becoming affordable.

Studies which indicated a positive labour supply response were either theoretical models designed by Basic Income enthusiasts or conducted in the developing world where different pressures are affecting labour supply- nutritional shortage or lack of basic healthcare are keeping people out of the workforce. Basic Income, by meeting these needs, can bring people's standard of living up to the point where participation becomes feasible. It is not reasonable to expect the same effects in a developed country.

### ***Social Harm***

Those like Vives who fear that idleness portends wickedness might be reassured from the evidence reviewed. In surveys, experiments, even among lottery winners, very few people withdrew from the labour market entirely, and this effect, even if harmful to those who do withdraw, is outweighed by widespread overall benefits- the social surplus effects of the North American Negative Income Tax experiments included better test scores, mental and physical health and reduced use of hospital resources, and the evidence of a clear benefit from income *security* rather than higher income per se

emerges from the psychological literature.

There was some evidence from UK pensioners that inactivity and social isolation may be exacerbated by labour market withdrawal in older people- but Basic Income advocates such as Van Parijs (1991) have argued that a widespread BI could lead to a resurgence in the value of care work and volunteering as well as personal self-development, which might mitigate these effects at scale and for younger workers.

## **6 DISCUSSION**

*“Let us accept some resort to leisure by the poor as well as by the rich”*

- JK Galbraith (1999) as quoted in Torry, 2013

### **Where do these findings leave the debate over a UK Basic Income?**

The argument of Basic Income critics is that labour supply will be reduced with resultant social cost- this paper has argued that the labour supply reduction will be small and at the very least outweighed by the benefits of the scheme as a whole.

But some supporters of Basic Income see in the labour supply the potential to free up time for currently unpaid labour such as volunteering or care work (most frequently performed by women). Labour supply reduction can be seen not as a bug but a feature of a Basic Income. Feminist scholars such as McKay (2001) see Basic Income becoming part of a rebalancing of national priorities in favour of currently undervalued labour such as care work.

Others see a role for finding life's meaning outside of paid employment (Gorz 1999); the key factor in willingness to continue in paid labour on receipt of a Basic Income in

Gamel, Balsan and Vero's French survey was the personal interest and satisfaction in work. Would those able to reduce their reliance on employment for survival be able to pursue a life of meaning and socially productive work if so supported?

Though Basic Income is evidently a long way from falling within the Overton window, scholars looking further into the future have considered such a scheme in the context of future challenges such as Climate Change and other potential stops on a growing economy. Foster (2011) and Kallis (2011) situate Basic Income as part of a package of measures of 'degrowth', "reducing the size of the economy to a level of output that can be maintained perpetually at a steady state" (Foster). A Basic Income which allows for more labour to be shared at fewer hours per worker permits more members of society to share in the social benefits of labour yet enjoy income security; but such ideas are not yet ready for mainstream acceptance it seems.

As Offe (2008) has argued 'policy initiatives to be found in many OECD countries in the first decade of the century have in common that they focus on the supply side of the labour market by stimulating skills and skill acquisition, of removing subjective as well as objective barriers to labour market participation'. Although it could be argued that a Basic Income is an ideal vehicle for skill acquisition and that its removal of high marginal withdrawal rates could achieve these goals by 'making work pay', a universalist, redistributive policy such as Basic Income in a policy climate Taylor-Gooby (2004) calls 'the zero-sum game of net tax-payer and net benefit recipient (or rather, those who believe themselves to be net payers and recipients' would struggle to find a place. This is borne out by the most recent British Social Attitudes survey (2013) which finds 53% of their sample in agreement with the statement "if welfare was [sic]

less generous people would stand on their own two feet". Van Parijs's idea that Basic Income represents 'Real Freedom' has clearly not penetrated the populace at large.

## References

- Ashenfelter, O., 1986. Discussion (of 'The work response to a guaranteed income. A survey of experimental evidence'). In: Munnell, A.H. (Ed.), *Lessons from the Income Maintenance Experiments*. Federal Reserve Bank of Boston, Boston.
- Atkinson, A.T. (1995): *Public Economics in Action: the basic income/flat tax proposal*(Oxford: Oxford University Press).
- Bambra, C. (2006) 'Decommodification and the worlds of welfare revisited.', *Journal of European social policy.*, 16 (1). pp. 73-80.
- Barrell, Ray, Simon Kirby, and Ali Orazgani. *The macroeconomic impact from extending working lives*. Department for Work and Pensions, 2011.
- Basic Income Earth Network, *About Basic Income'* accessed 2013  
<http://www.basicincome.org/bien/aboutbasicincome.html>
- Berry, C. "The future of retirement." The International Longevity Centre–UK (ILCUK) discussion paper (2010).
- British Social Attitudes Survey 30, National Centre for Social Research, 2013
- Burchardt, Tania and Le Grand, Julian, *Constraint and Opportunity: Identifying Voluntary Non-Employment* (April 2002). LSE STICERD Research Paper No. CASE055. Available at SSRN: <http://ssrn.com/abstract=1158946>
- Burtless, Gary, and Jerry A. Hausman. "The effect of taxation on labor supply:

Evaluating the Gary negative income tax experiment." *The Journal of Political Economy* (1978): 1103-1130.

Citizen's Income Trust: *Citizen's Income: A Brief Introduction*, 2013

<http://www.citizensincome.org/filelibrary/Archived%20Publications/Citizen%27s%20Income%20booklet%202013.pdf>

Carnevale, Anthony P., Nicole Smith, and Jeff Strohl. Help wanted: Projections of job and education requirements through 2018. Lumina Foundation, 2010.

Clasen, Jochen. "Social insurance and the contributory principle: a paradox in contemporary British social policy." *Social Policy & Administration* 35.6 (2001): 641-657.

Clark, Charles MA, and Catherine Kavanagh. "Basic income, inequality, and unemployment: rethinking the linkage between work and welfare." *Journal of economic Issues* (1996): 399-406.

De Wispelaere, Jurgen, and Lindsay Stirton. "The many faces of universal basic income." *The Political Quarterly* 75.3 (2004): 266-274.

Department for Work and Pensions: 'Community Action Programme (CAP) Provider Guidance' <http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/provider-guidance/community-action-programme.shtml> accessed September 2013

Dave, Dhaval, Inas Rashad, and Jasmina Spasojevic. The effects of retirement on physical and mental health outcomes. No. w12123. National Bureau of Economic Research, 2006.

Disney, Richard, and Sarah Smith. "The labour supply effect of the abolition of the earnings rule for older workers in the United Kingdom." *The Economic Journal* 112.478 (2002): C136-C152.

Ekerdt, David J. "Why the notion persists that retirement harms health." *The gerontologist* 27.4 (1987): 454-457.

Emmerson, C. and Tetlow, G. (2006), 'Labour market transitions', in J. Banks, E. Breeze, C.

Lessof and J. Nazroo (eds), *Retirement, Health and Relationships of the Older Population in England: The 2004 English Longitudinal Study of Ageing*, London: Institute for Fiscal Studies.

Fitzpatrick, Tony, and Jo Campling. *Freedom and security: An introduction to the basic income debate*. Palgrave Macmillan, 1999.

Forget, Evelyn L. "The town with no poverty: the health effects of a Canadian Guaranteed Annual Income Field Experiment." *Canadian Public Policy* 37.3 (2011): 283-305.

Foster, John Bellamy. "Capitalism and Degrowth-An Impossibility Theorem." *Monthly Review* 62.8 (2011).

Friedman, Milton. "The case for the negative income tax." *Republican papers* 202 (1968): 220.

Gamel, Claude, Didier Balsan, and Josiane Vero. "The impact of basic income on the propensity to work: Theoretical issues and micro-econometric results." *The Journal of Socio-Economics* 35.3 (2006): 476-497.

Galbraith, J.K., in a speech given on the 29<sup>th</sup> June 1999, and quoted in the *Citizen's Income Newsletter*, issue 3, Autumn 1999, p 7

Gilroy, B. Michael, Mark Schopf, and Anastasia Semenova. "Basic Income and Labor Supply: The German Case." Online : <http://ideas.repec.org/p/pdn/wpaper/54.html> (2012).

Goldsmith, Scott (2005) "The Alaska Permanent Fund Dividend: An Experiment in

Wealth Distribution,”

Goldsmith, Scott. "The Alaska Permanent Fund Dividend: A Case Study in Implementation of a Basic Income Guarantee." 13th Basic Income Earth Network Conference, University of Sao Paulo, Brazil. Vol. 30. 2010.

Gorz, André. *Reclaiming Work: Beyond the Wage-Based Society*, Polity Press, 1999

Groot, Loek. *Basic income and unemployment*. Springer US, 2004.

Haarmann, Claudia. 'Making the difference!: the BIG in Namibia: Basic Income Grant pilot project assessment report', April 2009. NANGOF, 2009.

Haarmann, Claudia and Haarmann, Dirk (2007) 'From Survival to Decent Employment:

Basic Income Security in Namibia', *Basic Income Studies*, vol 2, no 1, pp 1–7

Haigner, et al. "Keep On Working: Unconditional Basic Income in the Lab." *Basic Income Studies* 7.1 (2012): 1-14.

Hauser, Richard. "Alternativen einer Grundsicherung-soziale und ökonomische Aspekte."

*Gesellschaft Wirtschaft Politik* 55.3 (2006): 331.

Heaney, Catherine A., Barbara A. Israel, and James S. House. "Chronic job insecurity among automobile workers: Effects on job satisfaction and health." *Social science & medicine* 38.10 (1994): 1431-1437.

Hills, John (2003) *Inclusion or insurance? National insurance and the future of the contributory principle*. 68. Centre for Analysis of Social Exclusion, London School of Economics and Political Science, London, UK.

Hills, John (2004). *Heading for Retirement? National Insurance, State Pensions, and the Future of the Contributory Principle in the UK*. *Journal of Social Policy*, 33, pp 347-371  
doi:10.1017/S0047279404007743

Hirsch, Donald. *Crossroads after 50: Improving choices in work and retirement*. The

Policy Press, 2003.

Kallis, Giorgos. "In defence of degrowth." *Ecological Economics* 70.5 (2011): 873-880.

Karabarbounis, Loukas, and Brent Neiman. *The Global Decline of the Labor Share*. No. w19136. National Bureau of Economic Research, 2013. APA

Kaufmann, Josh. "BIG Hopes, BIG Questions: Namibia's Basic Income Grant." *Editors and Editorial Board* (2010): 38.

Levine, Robert A., et al. "A retrospective on the negative income tax experiments: Looking back at the most innovative field studies in social policy." Widerquist, Karl et al (2005).

McKay, Ailsa. "Rethinking work and Income Maintenance policy: promoting gender equality through a citizens' basic income." *Feminist Economics* 7.1 (2001): 97-118.

Macnicol, John. "The history and politics of the citizen's pension in Britain." (2008).

Mani, Anandi, et al. "Poverty Impedes Cognitive Function." *science* 341.6149 (2013): 976-980.

Marx, Axel, Hans Peeters (2008) "An unconditional basic income and labor supply: Results from a pilot study of lottery winners", *Journal of SocioEconomics* 37, 1636-1659

Murray, Charles: *In our hands: A plan to replace the welfare state*, AEI Press 2006

Noguera, José A., and Jurgen De Wispelaere. "A plea for the use of laboratory experiments in basic income research." *Basic Income Studies* 1.2 (2006): 1-8.

Offe, Claus. "Basic income and the labor contract." *Basic Income Studies* 3.1 (2008): 1-27.

Osterkamp, R "The Basic Income Grant Pilot Project in Namibia: A Critical Assessment" *Basic Income Studies*. Volume 8, Issue 1, Pages 71–91, ISSN (Online) 1932-0183, ISSN (Print) 2194-6094, DOI: 10.1515/bis-2012-0007, July 2013

Prescott, David, Robert Swidinsky, and David A. Wilton. "Labour supply estimates for low-income female heads of household using Mincome data." *Canadian Journal of Economics* (1986): 134-141.

Robins, Philip K. "A comparison of the labor supply findings from the four negative income tax experiments." *Journal of Human Resources* (1985): 567-582.

Schroeder, Doris. "Wickedness, idleness and basic income." *Res Publica* 7.1 (2001): 1-12.

Schwartzman, Simon. "Education-oriented social programs in Brazil: the impact of Bolsa Escola." *Instituto de Estudos do Trabalho e Sociedade* (2005).

Serati, Massimiliano. *The introduction of a basic income: a fruitful chance or an insidious trap for the Italian labour market? An econometric analysis of the Italian case.* No. 60. Cattaneo University (LIUC), 1999.

SEWA Bharat: Conference on Unconditional Cash transfers:

Findings from two pilot studies, 2013 <http://www.sewabharat.org/news/cashtransfer.pdf>

Shangula, Columbi PROPOSED BASIC INCOME GRANT FOR NAMIBIA, 2005

[http://www.met.gov.na/Documents/Article%20on%20Basic%20Income%20Grant\(BIG\)%20VI%20by%20MET%20Permanent%20Secretary.pdf](http://www.met.gov.na/Documents/Article%20on%20Basic%20Income%20Grant(BIG)%20VI%20by%20MET%20Permanent%20Secretary.pdf)

Standing, Guy. "Unemployment and income security." ILO (2000).

Standing, G. (2002). *Beyond the New Paternalism. Basic Security as Equality.* London-New York:

Verso

Standing, Guy, and Michael Samson, eds. *A basic income grant for South Africa.*

[jutaonline.co.za](http://jutaonline.co.za), 2003.

Standing, Guy. "How cash transfers boost work and economic security." *Trabajo preliminar* 58 (2007).

Standing, Guy. "How cash transfers promote the case for basic income." *Basic Income Studies* 3.1 (2008): 1-30.

Tabatabai, Hamid. "The Basic Income Road to Reforming Iran's Price Subsidies'." *Basic Income Studies* 6.1 (2011): 1-24.

Taylor-Gooby, Peter. "New risks and social change." *New risks, new welfare* 66 (2004).

Theobald, Robert. *Visions and Pathways for the 21st Century: Speeches, Essays and Verses*. Southern Cross University Press, 1999.

Torry, Malcolm: "Money for Everyone: why we need a Citizen's Income", Policy Press 2013

Toshiji, Kawagoe. "An Experimental Study of Basic Income Guarantee." (2008).

Van Parijs, Philippe. "Why surfers should be fed: the liberal case for an unconditional basic income." *Philosophy & Public Affairs* 20.2 (1991): 101-131.

Van Parijs, Philippe, and Yannick Vanderborght. "Basic Income in a Globalized Economy9." *Does the European Social Model Have a Future?* (2012): 31.

Widerquist, Karl. "A failure to communicate: What (if anything) can we learn from the negative income tax experiments?." *The Journal of Socio-Economics* 34.1 (2005): 49-81.

Widerquist, K. (2006): "The bottom line in a basic income experiment," *Basic Income Studies*, Vol. 1, No. 2, Article 9.

Williams, Lewis. "Fair rewards or just deserts? The present and future of the contributory principle in the UK." *Benefits* 17.2 (2009): 159-169.

Wright, Erik Olin. "Basic income as a socialist project." *Basic Income Studies* 1.1 (2006): 1-11.