

Citizen's Income *newsletter*

Issue 3, 2006

Contents

Editorial: It is sixty years since unconditional benefits for children were first paid *page 1*

News *page 1*

Main article: Why we ought to listen to Zygmunt Bauman, by Ian Orton *page 2*

Review article: Lawrence Mead and Christopher Beem (eds.), *Welfare Reform and Political Theory* *page 8*

Reviews: *page 10*

- The Fabian Society, *Narrowing the Gap*
- Guy Palmer, Jane Carr and Peter Kenway, *Monitoring poverty and social exclusion*
- Martin Evans and Jill Eyre, *The opportunities of a lifetime*
- Michael Schneider, *The Distribution of Wealth*
- John Hudson and Stuart Lowe, *Understanding the Policy Process*

The Child Poverty Action Group and other charities are campaigning for higher Child Benefit payments and for younger children to receive the same amount as the oldest child in a family, which at the moment they do not (see www.makechildbenefitcount.org for more information on the campaign). As CPAG suggests, such a change would provide additional resources for larger families and would help the government to meet its child poverty reduction target.

Such a change would also, of course, ameliorate the poverty and unemployment traps for many families with children, because Child Benefit is not withdrawn as other income rises and so provides a secure income floor for families trying to earn their way out of poverty. Working Tax Credit and Child Tax Credit cannot provide such a floor because they are withdrawn as earnings rise and the complexity of the system means that it is difficult to predict the change in disposable income which will result from a change in earned income.

In addition to its role in providing a secure income floor, Child Benefit is efficient and simple. It is difficult to think of a better model on which the reform of the tax and benefits system as a whole could be based.

News

In August the **Joseph Rowntree Foundation** published *Flatter taxes: Rich giveaway or new deal for the poor?* by Donald Hirsch. This paper explores the possibility of turning tax credits into a negative income tax, with the consequence that across the earnings spectrum all earners will experience the same withdrawal rate. The final section of the paper describes calculations of what such a flat tax system might mean for tax rates, and the effects on net incomes. Researchers at the Institute for Fiscal Studies made these calculations, funded by the Joseph Rowntree Foundation. They show that the main gainers from such a system would be families with children on modest to middle incomes, while the main losers would be the highest earners without children. Hirsch concludes:

An across-the-board flat tax may not be the best solution, and would be extremely difficult to sell to the electorate in the form shown here. However, the characteristics of a genuinely flat marginal rate at which income is recouped by HM Revenue and Customs serve to illustrate potential benefits of reform,

Citizen's Income Newsletter

ISSN 1464-7354

Citizen's Income Trust
P.O. Box 26586
London SE3 7WY

Tel: +44 (0) 20 8305 1222
Fax: +44 (0) 20 8305 1802
Email: info@citizensincome.org
Website: www.citizensincome.org

Registered charity no. 328198

Director: Malcolm Torry

Disclaimer: Views expressed in this newsletter are not necessarily those of the Citizen's Income Trust

Editorial

It is sixty years since unconditional benefits for children were first paid.

The Family Allowance was established by the Family Allowance Act 1945 and was paid to families with two or more children. The first payments were made on the 6th August 1946. In 1977 Family Allowance and Child Tax Allowances were replaced by Child Benefit, payable to all families with children.

A Citizen's Income is an unconditional, non-withdrawable income payable to each individual as a right of citizenship

which might be achieved in other ways. It is beyond the scope of this paper to explore details of other reforms that could achieve similar purposes. However, as a final reflection, it is worth noting that a universal rather than income-tested form of tax credits, with income-testing restricted to the levying of the main income tax on individuals principally through PAYE, looks particularly attractive at the present time. It would solve at a stroke the problem of the complexities and administrative tangles that have plagued our present system of tax credits.

In July the **Pensions Policy Institute** published an evaluation of the Government's White Paper on pension reform. The paper concludes that future eligibility for Pension Credit is uncertain and that between one-third and two-thirds of pensioner households might still be eligible for Pension Credit in 2050, with a rise in the number eligible from around 4 million today to up to 6 million. Government estimates are at the bottom of this range. It also shows that even a very successful Personal Account scheme will not significantly reduce the numbers of people eligible for Pension Credit. But, conversely, a potentially high level of eligibility to Pension Credit in future threatens the success of Personal Accounts. The White Paper reforms do not provide the certainty of a solid state pension foundation for Personal Accounts, which means that UK policy is different from that of other countries with national savings schemes. The paper also compares the White Paper reform proposals with alternative simple single pension options (such as a Citizen's Pension) which, for similar costs, have a better (more progressive) distributional outcome and further reduce reliance on means-testing. The paper concludes: 'The White Paper did not include full evaluation of alternative state pension reform models or of ways in which a better state pension foundation could interact with a Personal Account-type auto-enrolment scheme. Such evidence-based assessments should be made in more detail to help develop consensus on future policy.'

Main article

Why we Ought to Listen to Zygmunt Bauman ¹

by Ian Orton ²

There are two simple observations that are often missing from the debate on Citizen's Income [CI]. ³ Firstly, there are a variety of approaches, and secondly,

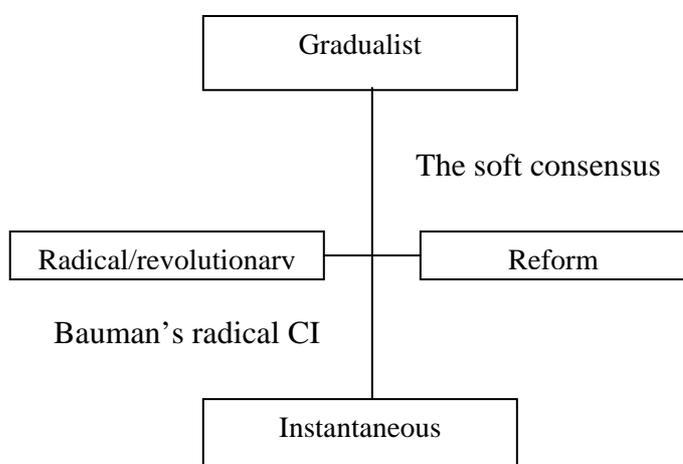
that they are *all* problematic. This article introduces the thoughts of Zygmunt Bauman in order to demonstrate this point. His ideas are important because they expose the shortcomings and arbitrary assumptions that exist within the CI discourse. Bauman helps shake up and loosen a slightly concerning consensus that has begun to emerge within BIEN [The Basic Income Earth Network]; a consensus that is preoccupied with advancing a CI principally on the grounds of affordability. Bauman suggests that this is not helpful in bringing a CI closer to political reality. The essential message that will emerge from this article, then, is that we need as broad a debate as possible. We need both the Bauman radical-utopian approach *and* the number-crunching 'feasibility' approach, although perhaps with a bias weighted in favour of the former.

To get a feel for the different positions on CI it is helpful to develop a basic typology. There are several ways of articulating the differing positions that exist on CI. For instance, there is the distinction between radical reform and reforming reform. Nevertheless, this simple bi-polar model still leaves a lot to be desired. There is a need to develop a further typology that encapsulates the complexity of the positions that exist on the CI. This is not a straightforward process, because one of the significant problems with the CI is that it has been articulated in many different ways. However, one other key feature that helps differentiate the various positions is to do with *the speed of the politics* that is intended to be set in motion. Hence we can insert another line of reference into the conceptual model that I am attempting to develop (see Figure 1 below). In reality, however, CI theorists represent various positions in this two dimensional typology, though the majority are likely to be located in the top right-hand quadrant: the gradualist-reformist position. This is where Bauman comes in. He is concerned that the gradualist-reformist position marks the location of a kind of 'soft' consensus that has formed within the CI debate. Bauman wants to flip this trend over, so that the majority exist in the radical-instantaneous quadrant. By doing this, he thinks we have a better chance of advancing a substantial fully-fledged and global CI.

The typology helps us conceptualise these differing positions in a more tangible way. But obviously it cannot fully capture the nuances of opinion. For instance, a further fault-line across the movement could represent the degree of conditionality/unconditionality that a thinker advocates for a CI. Nonetheless, a typology at least gives us a

more intelligible picture of the different tendencies operating within and on the edges of BIEN.

Figure 1: A two-dimensional typology of positions on a CI.



While each of these positions in the typology has its merits, Bauman feels that the radical-instantaneous position is most likely to make the CI become reality. But why does Bauman critique this soft consensus and how reasonable is this?

Bauman's argument is one that explores the tension between a position of *instantaneity* (i.e. we must aim for an immediate and unmodified implementation of income security measures; that is, a by any means necessary approach) against *varying velocities of gradualism* or *piecemeal* approaches. His concern is that the latter is vulnerable to hijacking by the political right, and it lacks the necessary political momentum to really put the proposal through. Thus he urges us to be more audacious and utopian. This, it is argued, will reveal the deeper (and true) potential of decoupling essential livelihood from employment. However, at present the proposal's potential is diminished because the soft consensus approach makes the mistake of 'selling it too cheaply' (Bauman 1999: 186), because its proponents are preoccupied with satisfying the standard view of what is regarded as feasible economically. Consequently, they make the mistake of 'offering it [the CI] to the wrong buyer' (Bauman, 1999: 186), therefore cutting short its potential before it has even had a chance to shine.

Bauman's position is interesting to anyone who is seriously concerned about advancing the CI, and advancing it as effectively and as rapidly as possible. This is why his views matter and this is why this article matters.

Bauman's critique

Bauman's critique centres primarily on the type of CI that is championed by Claus Offe in his book *Modernity and the State: East and West* (1996). While Bauman's critique is focused specifically on Offe's argument, in a broader sense his critique can be extended beyond this and applied to the work of other key figures within BIEN who are part of this problematic soft consensus.

Critique 1: The CI proposal should not be advanced as merely a social policy measure.

On the face of it, this seems a perfectly reasonable way to articulate the proposal. Surely it is logical to make use of the existing political notion of a social policy and the bureaucratic mechanisms which accompany this notion, as a means for transferring income more equitably across society.

Firstly, Bauman's concern is that the potential impact of the proposal is diluted if it takes the form of a social policy. This is because a social policy is invariably expressed through the rationale of problem resolution. The upshot of this is that, in the style of a self-fulfilling prophecy, the proposal becomes a problem-solving device, and, more worryingly, only that. As a social policy the CI proposal is in danger of being politically typecast as a measure simply intended to 'resolve the problem of the poor – to lift the poor from their poverty' (Bauman, 1999: 183). Clearly Bauman thinks the potential impact of a CI is much more than just its poverty-solving capacity. Ultimately, he thinks a CI can limit the risks involved in practising freedom by removing the 'awesome fly of [economic] insecurity from the sweet ointment of freedom' (1999: 188). Confronting poverty and unemployment is without doubt important. Still, the concern lingers that advancing the CI on this ground alone would pigeonhole it as a form of 'crisis management'. Expressed in this way, the CI becomes 'another "one-issue" and "focused" policy, fully in keeping with the "problem resolution" approach of conventional politics (Bauman, 1999: 183). Whereas, if articulated differently, it could be a vision-guided strategy that transforms society significantly:

- promoting historical equity
- fulfilling basic human rights
- granting people more life-choices
- promoting a green agenda (Lord, forthcoming)
- eradicating unemployment and poverty traps

- setting in motion a process of work humanisation
- strengthening social solidarity (see Standing and Samson, 2003)
- facilitating the right to resourced freedom and securing *the autonomy of autonomy* (Gorz, 1999)
- rejuvenating the fading intuitions of the republic and citizenship.

Selling the CI as a measure for poverty alleviation understates the potential of the proposal. In addition, when sold as just a one-trick pony it is unlikely to find wide support. This is crucial precisely because a broad support will be needed if it is actually to be implemented.

Critique 2: Where is the political will and force to implement the CI? Who and what are the agents and sites of change?

Bauman's concern here stems from the perennial problem of translating theory into reality. More specifically, this critique addresses the fact that it is difficult to put one's finger on an agency or organisation/institution capable of making a CI become political reality.

Firstly, can we assume that mainstream politics is 'motivated by the wish, or prompted by necessity 'to fulfil the obligations of the social state'' (1999: 184) as Offe assumes? Secondly, an argument couched in terms of necessity and poverty alleviation is unlikely to cut much ice with this group. Why is this? With the exception of all but a few nation states, national politics plays a largely supportive role to business. Today, conventional politics is not driven by an interest in resourcing greater freedom; it has discharged itself of any major concern with improving the human condition.

The entity that might have fulfilled these obligations to the poor – the welfare state – has lost a large part of its support, and the general assumption that it should assist the poor and needy is now in decline. The support of the social state for a CI proposal cannot now be expected. The idea that the welfare state should help the poor and create full employment was once genuinely an issue beyond left and right. Nowadays, it seems that the function of the social state is 'about getting rid of the poor; deleting them or making them vanish from the agenda of public concern' (Bauman, 1999: 185). For example, the contemporary approach to the poor in the Anglo-Saxon world through 'welfare to work' (UK) and 'welfare to workfare' (US) results

'In a fast-shrinking number of 'people on the dole' and perhaps even a gradual evaporation of the morally painful issue of the 'dependent poor'' (Bauman, 1999: 185). This is useful to the political class because the poor can be brushed under the carpet through job creation schemes and the actuarial operation of 'shifting social wages to subsidies' (Bauman, 1999: 185). This makes it more difficult to 'detect the enormous social costs of the kind of modernization which is set in motion and guided by the price of shares and interests of shareholders' (Bauman, 1999: 185).

Bauman thinks we must look elsewhere for agencies or organisations capable of translating a CI into political reality. This presupposes the construction of new global institutions, capable of intervening in economic forces that have cut themselves free from political powers. This would require a powerful globalisation of political power and the (re)emergence of enlightened and progressive social states. To some extent we have witnessed the appearance of just such a potential in the form of various world and continental social forums. In addition, we have also seen the logic of universalistic types of income transfer manifesting themselves in countries such as Brazil (i.e. the *bolsa familia* and *bolsa escola* policies) and regions like Alaska with the Alaskan Permanent Fund (see ILO, 2004, and also the *Citizen's Income Newsletter*, issue 3 for 2000 and issue 3 for 2004). Even though the major social states have moved away from universal types of social protection, it is conceivable that if sufficient pressure is applied their migration away from the social can be reversed. Hence, we can see the importance of recent global social movements. It is possible that action at the global level can resuscitate the political will at the local/national level to develop universal types of social protection which are loaded with capacity building qualities (i.e. with the capacity to resource and facilitate authentic autonomy), as it is argued could be the case with the CI.

Critique 3: The costs of the CI are calculated in order to show that it is affordable and therefore plausible.

Out of all of the objections Bauman makes this critique seems the most fanciful. Surely a sensible advocate of any idea must demonstrate its feasibility in order for it to be realised. However, Bauman's insights here are interesting because he makes us realise that what is regarded as 'feasible' and 'plausible' are essentially subjective, contestable and therefore open to re-configuration.

Bauman suggests that arguments couched in terms of 'affordability' willy-nilly imply the acceptance of the 'social-state' as, essentially, the transfer of money from those who earn it to those who don't' (1999: 185). These arguments inevitably involve an acceptance of the logic of contemporary welfare; one increasingly rooted in a capitalist context and a propensity for giving into the 'paternalist twitch' (Standing, 2002); which usually translates into the development of coercive and directive welfare policy that is wholly unsuited to improving the human condition and expanding human autonomy. The downside of the affordability approach is that it focuses on the feasibility of the CI within economic boundaries that have already been sealed.

Surely, in order to advance the CI proposal as rapidly as possible, we need to highlight the arbitrariness of what is possible economically. Counter-intuitive though this sounds, arguing through the language of affordability may make the CI chances *weaker rather than stronger*.

Even if the CI were to be ushered in under an accountancy-style form, it will not be free from future problems. The affordability approach 'will burden [the CI] with a potentially terminal blemish tremendously difficult to erase and will thus store up trouble for the future' (Bauman, 1999: 185). Rather than being a transformative proposal it will be consigned to a life of 'haggling and log-rolling' (Bauman, 1999: 185). If we condemn the CI to such a future we will have wasted many important opportunities to radically re-negotiate the nature of contemporary society, in ways which could be very liberating.

What the foregoing discussion does is to encourage us to think more deeply about what we mean when we talk about the affordability of any proposal. Affordability can take on the mantle of neutrality. We need to be demonstrating the opposite and remain mindful that considering the affordability of any given idea is not a value-neutral endeavour. Surely we should be trying to challenge what is regarded as possible economically, in order to create a political climate more favourable to the realisation of the CI. Bauman's desire is to develop a discourse that liberates economic thinking from its existing constraints, freeing up new possibilities for politico-economic thinking. In doing this we can cultivate a new political grammar that assists the normalisation of proposals like a CI, so that it sets in motion a cultural mutation where the CI just becomes common sense. Therefore, Bauman's argument is important because it articulates the

potential of the CI in new ways. This might equip people with a new outlook and enthuse them with a renewed interest in the proposal and, thus, restrictive and obstructive cognitive boundaries are dissolved.

How reasonable is Bauman's critique of the soft BIEN consensus?

It is possible to argue that Bauman is wrong because he does not credit the soft consensus approach with the intelligence it deserves. The intention of the latter position may be to introduce a partial and watered-down CI into society. At first this might take the form of a conventional welfare policy, but as a long term strategy it could be used as a lever to promote a more substantial CI. In this view the CI would be a kind of Trojan horse, introducing an important principle of universalism into society. However, it is unlikely to be experienced as too disturbing to the politically squeamish, because it will not appear as some radical political shift.

Then again, introducing a CI as a Trojan horse could mean that it is easily co-opted and perverted by the system. There is no guarantee that a modified partial CI would automatically develop into a full one. It could easily become a wage for compulsory passivity or 'hush money' to keep the poor and insecure quiet. Hence, we return to Bauman's consistent argument that the CI must not be diluted. It must be articulated as a vision-guided strategy. Bauman's view would be: if we want a CI we should just make it happen. Perhaps affordability is more a problem of priorities. If a society wishes to make this egalitarian proposal reality then it should be given a sufficiently high priority in the allocation of public resources. Furthermore, if we cannot identify an existing agency to bring it into being, we must seek out other alternatives. We must not be limited by the 'reality' of the present. Clearly, then, there is a need to discuss the merits of Bauman's approach against others.

The main problem with promising a CI on the grounds that Bauman recommends leads back to the issue of identifying a 'who' or 'what' that can forward it. He recognises this and suggests that 'under the current conditions it is difficult to find an agency potent enough to put the idea through' (Bauman, 1999: 190). However, this is only true if we regard mainstream political parties as the main agents capable of realising the proposal. For there are many other political forces such as the labour and trade unions; all manner of pressure groups, cultural and religious organisations and the radical unconventional political culture that has manifested itself by staging large insurrections in

major metropolises in recent years, (i.e. as was witnessed in Genoa and Seattle).

However, if we continue to consider mainstream politics as the pre-eminent means of putting through a CI we are of course faced with the major problem that the 'truly potent powers of today are essentially exterritorial' (1999: 191), while the sites of political action remain hopelessly local. If a nation state were to go it alone with a CI, it may well end up as a political and economic pariah. Firstly, to finance a substantial CI *might* mean the taxation of capital flows or super-income earners. In all likelihood this would result in this country being branded as troublesome. This stigmatisation could provoke highly destabilising capital flight and the possibility of economic attacks/sabotage by those agencies that do not look favourably on moves to create a more protected egalitarian world. Bauman therefore concludes that only concerted continental or global action can prevent such outcomes. Such a strategy might require the CI proposal to be linked up with other struggles. For instance, BIEN could explore the world and continental social forums as a possible avenue of change. Perhaps more of an effort should be made to connect and identify with the many groups that are encompassed within these forums in order to establish even more broad-based support. It is this point; along with the fact that we should defer less to demands for affordability that are the hallmarks of Bauman's important argument.

Of course, Bauman's perspective is not without its problems and space ought to be given to outlining these.

i) Evidence of a new global political architecture is difficult (although not impossible) to discern

If the global political institutions that he proposes to put through the CI are not even visible yet, what else are theorists of the CI meant to theorise with, other than the existing political structures? Thus the problem of a coherent organisation to advance the proposal still persists. There is no guarantee that such an organisation will emerge. However, we can observe the emergence of a form of politics (i.e. anti-capitalist, social justice and ecological movements) that might embrace a proposal such as the CI. This is because a CI can advance many of these groups' specific goals whilst simultaneously and diplomatically traversing the many political positions that exist on the radical left without necessarily forcing them to dismantle their worldview entirely. In a sense this is what Van Parijs has been appealing for. He has suggested that the case

for the CI must be *swollen* and *spread* (2006). Would not connecting with these groups satisfy the latter aspect of this strategic assertion? Many different groups can sign up to the CI as a way to achieve their more specific demands. An economic right such as the CI could function as a hegemonic pole of resistance and unity – a commonality that connects these (dis)organisations in a non-totalising way – around which they can apply more focused pressure to change society. As George Monbiot (2003) has argued, these organisations are capable of creating legitimate global counter institutions capable of wresting political power away from corporate politics; a political context which would be far more conducive to a CI. Consequently, we can see that Bauman's assertion that we require a new global apparatus to establish a CI is plausible when placed against the backdrop of contemporary radical political culture.

ii) The problem of financial feasibility still persists

The problem of satisfying requests for demonstrating the affordability of a CI will not disappear. Financing the CI still remains a real issue. Perhaps we need a multifaceted approach to the affordability question, demonstrating that a modest CI is affordable in the present, as well as a discourse that outlines the possibility for a more generous and (globally) universal CI, as Frankman (forthcoming) and Kunnemann (forthcoming) have demonstrated is possible. This still leaves room for political co-option, since conventional politics would most likely opt for the less troublesome and easily achievable version. Hence, it seems that Bauman's approach could help BIEN stretch political possibility beyond existing limits.

iii) The problem of political counter-modelling

Bauman's argument seems to veer towards the logic of political counter-modelling. Surely to bring the CI closer to political reality, we need to be using existing structures and agencies of power rather than displacing the avenues for political change, elsewhere and elsewhere to some as of yet unspecified context/entity. Although, this is perhaps a little harsh since Bauman always strives to identify existing agents who can make radical proposals become reality. Inevitably, all progressive utopian thought needs an element of thinking that can project us to a place that is 'beyond where we are now' or conceiving of something that is 'better than what we have now'. We should not seek to eliminate such thinking from discourses on the CI.

iv) *Disengagement from the politics of the present*

While it is important to critique the dominant notion of globalisation which frames the contemporary CI debate, we should not be too quick so surrender the term 'globalisation' to the meaning given by mainstream politics. We need to articulate the affordability of CI along new lines (i.e. social justice, equity, can we afford not to finance a CI (in terms of psychological, social and ecological costs) *et cetera*). So in a sense, perhaps we need to *bend and tweak* the debate on affordability in a more radical direction. The importance of Bauman's approach is that it indicates new directions in which the debate can be bent and tweaked.

v) *Lack of recognition of contextual diversity*

Another problem with Bauman's perspective is that it lacks an awareness of contextual diversity. For instance, a Bauman-style CI may not be a difficult thing to envisage for the Nordic countries with a history of a social state. Whereas, in a context where the social state is unheard of, other more gradual approaches might be more appropriate. Bauman's argument might seem a tad insensitive to contextual dissonance: the diversity of stages and circumstances that obstruct the political implementation of political proposals. What is possible in one place is not possible in another. Perhaps a more appropriate way to think about the degree of radicalness and speed with which to advance the CI is encapsulated by Van Parijs' *MAYA* principle. He suggests that political and economic feasibility should be based on the idea that we must aim for the *most advanced yet achievable goals* in any given context. This might be the best watchword by which to forward the CI. Having said that, Bauman intimates that a radical revolutionary CI in the developed countries could unleash a similar politics in the developing countries, especially if the developed countries start to see the sense (i.e. in terms of ecological sustainability, basic social justice and greater global economic security) in helping to extend this kind of social protection to other regions. This might occur in the manner of a feedback loop, where the introduction of a CI in the developed countries stimulates a cultural/attitudinal mutation more receptive to the possibility of a global CI.

Conclusion

Clearly Bauman is not in denial of the enormity of the task involved in implementing a CI as a radical measure to develop a protected egalitarian world. However, there are reasons to be cheerful and optimistic. There is clear evidence that *nation states*

can change the direction of globalisation, though not if they act alone. There are also signs of a stirring radical conscience that can be observed in the recent explosion of unconventional politics. In this context, we can observe how the CI could be just the kind of radical proposal that these organisations are crying out for, since they seem to be searching for something to suture and galvanise them into a coherent, focused and more self-conscious political assemblage; one that is capable of re-configuring the social state and altering the nature and direction of globalisation.

Essentially, Bauman sees a rejuvenated democratic political sphere as necessary if capitalism is to be controlled. Democracy is not possible if the polity is made up of insecure people. Thus his main argument for CI (Bauman, 1999: 182-3) is political. All the radical potential of CI remains as *potential* without a radicalised democracy. Therefore, it seems that one way out of this impasse, is along the same lines as are advocated by Gorz (1999) who suggests we need to develop a campaign for an unconditional CI (campaigning on the grounds of what can be called a Gorz and Bauman style) and developing a radical democratic movement at the same time.

Bauman's approach is important as it shakes up those norms that have developed within BIEN. It encourages us to think outside our comfort zones. And, crucially, one very important insight that Bauman brings to the fore, is that the difficulty in radically altering the human condition is not so much due to a dearth of transformative ideas but more *a lack of political will and resolve*.

Notes

1 Zygmunt Bauman is Emeritus Professor of Sociology at the University of Leeds

2 Ian Orton has recently obtained a Ph D degree from the University of Northampton and is currently working for la Universidad Autónoma Metropolitana en Azcapotzalco in Mexico City

3 In his discussion of a citizen's income, Bauman actually refers to it as a basic income [BI], as so many thinkers do. Arguably, the term 'BI' is not that helpful in bringing the proposal closer to political reality, since its connotations are derogatory. Upon reflection Bauman would probably agree with this, since he argues that the power of a BI/CI is its capacity to promote a radically democratic society consisting of empowered citizens. The problem with the term 'basic' is that it always requires clarification: for instance, one finds the need to explain that 'basic' does not necessarily refer to the degree of financial generosity that is

attached to the administered income, but more precisely to the idea that it is intended to address people's *basic needs* or a *basic level of security*. Hence, in this paper I will use the term 'CI'.

Bibliography

Bauman, Z. (1999), *In Search of Politics*, Cambridge: Polity Press.

Frankman, M. (2004), 'Ample Room at the Top: Financing a Planet-Wide Basic Income', in Kahn, A. & Standing, G. (forthcoming), *Income Security as a Development Right*, Geneva: ILO

Gorz, A. (1999), *Reclaiming Work: Beyond the Waged-Based Society*, Cambridge: Polity Press.

International Labour Office (2004), *Economic Security for a Better World*, Geneva: ILO.

Kunemann, R., 'Basic Income: A State's Obligation Under the Human Right to Food', in Kahn, A. & Standing, G. (forthcoming), *Income Security as a Development Right*, Geneva: ILO.

Lord, C., 'The Mutual Interdependence of a Citizen's Income and Ecological Sustainability', in Kahn, A. & Standing, G. (forthcoming), *Income Security as a Development Right*, Geneva: ILO.

Monbiot, G. (2003), *The Age of Consent: A Manifesto for a New World Order*, London: Harper Perennial.

Offe, C. (1996), *Modernity and the State; East, West*, Cambridge: Polity Press.

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

Standing, G. & Samson, M. (2003), *A Basic Income Grant for South Africa*, Cape Town: University of Cape Town Press.

Van Parijs., 'Does Basic Income Make Sense as a Worldwide Project?', in Kahn, A. & Standing, G. (forthcoming), *Income Security as a Development Right*, Geneva: ILO.

Review article

Lawrence Mead and Christopher Beem (eds.), *Welfare Reform and Political Theory*, Russell Sage Foundation, New York, 2005, xii + 284pp, hardback, 0 87154 595 0, \$37.50

The aim of this collection of essays is to relate political theory and practical policy to each other:

Conventional policy analysis is limited by its concreteness and its devotion to quantitative methodology, and political theory is limited by its frequent abstraction, its separation from the

specifics of politics and policy. Theoretical reflection that focuses initially on policy is an improvement on both counts. It can be a contribution to policy assessment, but at the same time a policy connection can restore realism to theory (p.5).

The field chosen is 'welfare reform', and the question put to the contributors was this: 'How does welfare reform affect the Anglo-American political order and core concepts of political theory such as citizenship and democracy?' (p.5)

Unfortunately, 'welfare reform' is defined here as the imposition of work-conditions on benefit receipt – which is to deny the term to other forms of reform, such as a Citizen's Income, and to impose a burden on other parts of the policy debate. For if someone who reads this book now hears a Citizen's Income described as welfare reform they might assume that there are work conditions attached to it – which there are not.

But the essays are nevertheless useful contributions to debate, partly because they are from many points on the political spectrum - though maybe the existence of a 'left-right' spectrum should not have been accepted as an axiom in the way that it is. The labels 'left', 'right' and 'liberal' promote the replaying of arguments which lead to the polarizing of entitlement and responsibility against each other, whereas either can in fact promote the other, particularly in the context of universal welfare provision.

In chapter 1 Lawrence Mead offers a good summary of 'welfare reform' (defined as the imposition of work-conditions on benefit receipt) in the USA and the UK.

In chapter 2 Carole Pateman discusses a Citizen's Income, arguing that caring is as much 'work' as is paid employment and that to link social reproduction to gainful employment causes more problems than it solves. 'To solve the problem of social reproduction and the welfare of citizens it is necessary to move back to the universalism of democracy. I argue that an unconditional basic income for all citizens is a step in this direction' (p.37). A Citizen's Income thus becomes an 'enabler of full citizenship', and that is how it should be promoted, for 'if it is supported as a means to relieve poverty or a way to promote flexible labour markets, the suggested level is likely to be lower than if the concern is social reproduction and democratic citizenship' (p.51). It is consistent with her argument for her to say that Tony Atkinson's 'participation income' 'reinstates lesser citizenship'

(p.54). Pateman correctly says of reciprocity defined as employment or other conditions that 'no such duty is demanded of other beneficiaries of public provision' such as the NHS (p.55), and that reciprocity does not need to be understood in terms of a contract.

In chapter 3 Desmond King suggests that welfare reform (defined as above) compromises the individual's citizenship because it is intrusive, it stigmatizes, and it treats benefit recipients differently from those receiving other state-administered benefits, particularly in relation to the micromanagement of their lives by state employees. He also worries about the effect on the administrators.

In chapter 4 Stuart White posits a 'civic obligation to work' (p.87), and suggests that John Rawls's 'justice as fairness' assumes that everyone will take part in society's cooperative work. He understands that much debate about welfare is first-level debate, and that if a work-test has practical consequences (as King suggests) which compromise justice as fairness then new ways must be found to encourage cooperation by incentivising it rather than through coercion. He suggests that only if those who are wealthy through inheritance are coerced into employment can we treat benefit recipients in the same way; and that if coercing people into accepting employment at lower wages than those at which they would have accepted employment if they had not been in receipt of benefits then that's not fair and we shouldn't do it. He finds the New Deal for Young People vulnerable to accusations of such inequities. Whilst it is sometimes necessary to pay a price in justice for a practical policy, that price must be acknowledged:

At the level of ideal theory, liberal neutrality does not exclude conditionality in the welfare system. There can be good, justice-based reasons for conditionality. In the much less than ideal circumstances of our own societies, however, conditionality – in particular, work-conditionality – will properly give liberals pause because it might well lead to inequity in the enforcement of civic obligations or to a consolidation of unjust labour-market disadvantage, or perhaps both (p.101)

Chapter 5, by William Galston, discusses various ways in which citizenship might be said to be conditional and in which citizenship might *require* certain conditionalities. He suggests that John Rawls' 'veil of ignorance' theory of justice (in which he suggests that people who didn't know what position they would hold in society would choose just social policies) leads to a

certain amount of conditionality, as we would not regard it as just for our hard labour to be exploited by people who were not contributing – but we would not want conditions to be too onerous, otherwise they might impinge on us. A possibility that Galston doesn't consider is that someone who holds the 'veil of ignorance' theory of justice is bound to support a Citizen's Income, for whatever position we might hold in society we would receive it.

Chapter 6, by Alan Deacon, is about mutual responsibility as an argument for conditionality. 'A good society requires both a more equitable distribution of material resources, and a greater affirmation of mutual care than currently exists in either Britain or the United States. A welfare system grounded in an ethic of mutual responsibility is essential to the achievement of both of these objectives' (p.146). But it isn't always easy to see how this translates into practical policy.

Chapter 7, 'Restoring the Civic Value of Care in a Post-Welfare Reform Society', by Christopher Beem, is about ways in which mothers' employment in the labour market affects their children. If liberal political theory regards labour in the economy as the route to citizenship, then women will seek such labour – but this devalues care as civic work, and we need to find new ways of expressing its value.

In chapter 8, Lawrence Mead suggests that 'welfare reform is really an ambitious attempt to expand the working class' (p.73), and that there is a moral intention behind a policy which regards paid employment as the route to dignity and inclusion. Work (meaning paid employment) generates social bonds, tolerance and respect, which is one of the reasons the public expect people to work. There *are* objections to work tests, but they do not outweigh the benefits of paid employment to people previously in receipt of benefits.

In chapter 9 Amy Wax studies the psychology of welfare reform and decides that welfare reform has its roots in our evolution as a species. It is now more possible for a single parent to work, so we expect them to do so. Liberal thought-experiments don't cohere with the way our ancestors lived, and it is the necessity of mutual responsibility which still drives public attitudes to benefits policy. But the world changes, and Wax concludes that in today's economic conditions an unconditional benefit could be part of the picture – though she doesn't discuss how a universal unconditional benefit might fit with the way in which early societies operated. She thinks that reciprocity is

still needed to maintain the motivation of *all* workers (p.216), but doesn't discuss the popularity of Child Benefit and the NHS.

In chapter 10 Joel Schwartz discusses recent American welfare reform legislation, and suggests that the liberal state has a responsibility to inculcate a work ethic.

In chapter 11, Mead and Beem distinguish between a citizenship of the individual who makes demands on government and a communitarian citizenship of mutual responsibility, but they recognize that different political positions can arrive at the same practical means of inculcating a sense of obligation in society – though they question whether a single mother's claim on the state can be sustained when it is recognized that having a child was to a large extent her choice (a rather simplistic view of the roots of single motherhood, much of which is caused by the absence, fecklessness or violence of the child's father).

The book ends with some important questions: Is conditionality fair in relation to society today? Should government be morally neutral? Does citizenship impose obligations? 'Entitlement, care work, moral neutrality, and citizenship are the most far-reaching [issues]' which the editors think the authors have left us with (p.265), and 'the question of citizenship is the bottom line for this entire book' (p.266).

This book does indeed raise some vital issues, and it will give people on all sides of the Citizen's Income debate much to think about. However, by restricting the notion of 'welfare reform' to 'making benefits conditional on seeking and finding employment' the book has not helped the process of relevant policy-formation and might in fact have hindered it. A further symptom of the problem is that 'means-testing' isn't in the index. It is the means-testing attached to many social security benefits which locks people into them and makes it hard for the recipients to seek employment. To remove means-testing would reduce the marginal deduction rates which are such a disincentive to being economically active, and for this book to have discussed that issue would have made the whole debate much more interesting. Means-testing is as much a political issue as is a work-condition, and the two issues are intertwined in practical policy-making. So to omit all consideration of means-testing is to risk making the book's argument the purely theoretical construction which the editors say they aim to avoid.

An important book – but read it with questions in your mind.

Reviews

The Fabian Society, Narrowing the Gap: the final report of the Fabian Commission on Life Chances and Child Poverty, the Fabian Society, London, 2006, 224pp, pbk, 0 7163 4102 6, £9.95

The commission argues that the 'life chances' concept should be central to the politics of equality because it cuts through debates about equality of opportunity versus equality of outcome, it tests policy options for their ability to narrow inequalities, and it gives to government a rationale for eradicating child poverty. The report shows that in many cases the gap in life chances between disadvantaged and advantaged children has not narrowed since 1979 and that growing up in poverty affects life chances. Recommendations include enhanced provision of childcare, maternity support, and paid parental leave. The commission wants to see schools admissions policies reviewed to reduce segregation by socio-economic background. As for income maintenance, the commission recommends a greater role for Child Benefit, a higher minimum wage, and a Royal Commission on the Distribution of Income and Wealth. Among the recommendations on child care the commission asks for public spending to be rebalanced away from subsidizing demand through tax credits and towards directly supporting the supply of high quality places.

Guy Palmer, Jane Carr and Peter Kenway, *Monitoring poverty and social exclusion 2005*, Joseph Rowntree Foundation, York, 2005, 117pp, pbk, 1 85935 397 5, £16.95

The previous *Monitoring poverty and social exclusion* report was published in 2003, and the graphs which appear for the first time in this new edition are significant: car use, the acquisition of further qualifications after age 16, and levels of benefit take-up; and there is additional material on in-work poverty. The researchers find that, while there is now less poverty among children and elderly people, this is not the case for working age adults without dependent children or for people with disabilities. For anyone interested in the prevalence of poverty this report is a must.

Martin Evans and Jill Eyre, *The opportunities of a lifetime: Model lifetime analysis of current British social policy*, The Policy Press, Bristol, 2004, 91pp, pbk, 1 86134 651 4, £16.95

This highly informative and innovative report brings together 'the whole system of taxes, benefits and related policy instruments that affect our education, work, retirement and family life' and 'our lifetimes, to reflect on both now, the next few years and the longer future potential of social security to assist with our education during our working lives, when we have children, and our retirement' (p.3). The researchers simulate the effect of everyone living their whole lives under the current system. The aim is to 'stand above the short-term political cycle and show the consequences of current policy assumptions and approaches' (p.3). A variety of model lifetimes are chosen: a single person on average earnings; a single person on low pay; a couple with children on average earnings, and a similar couple on low earnings; and people who experience unemployment, disability, and lone parenthood. The ways in which income varies over the lifecycle are described, and policy recommendations are made – in particular that the 'lifetime' perspective needs to be taken into policy design, that lifetime incentives matter (so, for instance, it matters that the extent of high marginal tax rates has increased), and that low lifetime gains mean that current opportunities might not be grasped (for instance, training, seeking employment, and pension provision).

This important report should be on the reading list of everyone involved in social policy development.

Michael Schneider, *The Distribution of Wealth*, Edward Elgar, 2004, 168 pp, hardback, 1 84064 814 7, £45

Only a small proportion [of economists] have devoted their time to the study of distribution. Of these, most have been concerned with analysing the distribution of income, between either classes or persons. Only a few have examined the personal distribution of wealth (p.xi)

– both because there is little data available and because the issue is far from value-free. (Amongst the few economists who have studied the distribution of wealth whom Schneider mentions is Tony Atkinson, whose *Public Economics in Action: The basic income / flat*

tax proposal and other publications have been such important contributions to the Citizen's Income debate).

Chapter 1 contains definitions of wealth and of distribution of wealth, and the justification for the book: 'The distribution of wealth is important because the wellbeing of individuals/households is affected by their wealth independently of their income' (p.5). Chapter 2 is on measuring inequality in the distribution of wealth, and chapter 3 on empirical studies, with a conclusion that globally 'inequality fell fairly continuously during the first three quarters of the twentieth century, but thereafter either remained relatively constant or increased' (p.53).

Chapter 4 discusses a number of determinants of the distribution of wealth, and finds that inequality in the distribution of incomes accounts for only half of the inequality in the distribution of wealth. Chapter 5 asks how unequal the distribution of wealth should be on the basis of a variety of views of what society should be like; and chapter 6 discusses ways of changing the distribution of wealth. The author recommends a progressive inheritance tax (p.100), and chapter 7 discusses the question as to whether this would cause capital flight and thus reduce the nation's affluence. Chapter 8 recommends a step by step approach to reform.

Whilst it is true that inequality in the distribution of income accounts for less than half of the inequality of wealth, it is only just less than half (p.59), so a greater incentive to earn income amongst the low paid could over time increase equality of wealth. Thus measures to reduce the marginal benefit deduction rates for people on low incomes could well stand alongside a progressive inheritance tax as a policy designed to reduce the inequality of wealth. Similarly, different savings habits affect inequality of wealth (pp.63f), so to reduce disincentives to save amongst people on low incomes would also reduce inequality of wealth (as would reducing incentives to save for the better-off). Thus whilst policies directly related to wealth (such as inheritance tax) might be useful, co-ordinated income- and savings-related policies could also have a significant effect.

This well-researched and accessible book is a good introduction to an important subject.

Social Policy and Administration, vol.39, no.1, February 2005

Two articles in this edition of *Social Policy and Administration* will be of interest to this Newsletter's readers.

The first is, 'Child Poverty in Northern Ireland: The limits of Welfare-to-Work policies', by Goretti Horgan (pp.49-64). This article charts some of the reasons for 32% of children in Northern Ireland living in households whose only income derives from benefits: unemployment, low pay, a high cost of living, low levels of public services, large families, and higher inequality than in the rest of the UK. The Government is relying on Welfare-to-Work policies to reduce child poverty, but in Northern Ireland these often exacerbate the problem because transitions into and out of paid employment can cause severe financial difficulties for poor families. The author suggests that there is a 'clear need for policy to provide greater protection during periods of transition between benefits and paid work and vice versa. Given that parents, including lone parents, are being encouraged to enter the 'flexible labour market', the benefits system must also become more flexible and cushion families from the effect of these transitions' (p.60).

The article concludes:

Welfare-to-work policies cannot eliminate child poverty in areas of high unemployment and low wages. Even in strong labour markets, there will be parents, especially lone mothers, who want to look after their children themselves without having to cope with a paid job. There will also be those who cannot work or who need the support of vastly improved public services in order to take up employment. Policies aimed at ending child poverty must take account of these realities if they are to have any hope of success (p.62).

The second article is 'Rituals of Degradation: Administration as Policy in the Ontario Works programme', by Dean Herd, Andrew Mitchell and Ernie Lightman (pp.65-79). This article discusses changes in the benefits regime in Ontario (which in 1995 moved in a 'welfare-to-work' direction) and in particular examines administrative changes. The authors conclude that 'a deliberately cumbersome and complicated application process, excessive and inappropriate requests for information, and deliberately confusing procedures and language have combined to

create administrative pretexts for restricting access and accelerating exits' (p.76).

John Hudson and Stuart Lowe, *Understanding the Policy Process: Analysing welfare policy and practice*, The Policy Press, Bristol, 2004, pb 1 86134 540 2, xiv + 283 pp, £17.99, hb 1 86134 539 9, £50.

This is a textbook designed for undergraduates and graduates studying social policy, and its content is both the policy process and the welfare state. It is clearly based on practical experience of teaching social policy, and it is structured to enable both teacher and student to handle a complex field.

Following an introduction on 'What is policy analysis?', there are chapters on globalisation, political economy, changes in the world of work, technological change, the changing nature of governance, structures of power, policy networks, institutions, policy transfer, decision-making and personality, implementation and delivery, and evaluation and evidence; and a concluding chapter entitled 'policy analysis and welfare states'. The various schools of thought are dealt with within the framework provided by the chapter headings (for instance, rational choice theory in the chapter on decision making and personality), and the structure of the welfare state is discussed in depth in the chapter on political economy and then referred to as necessary in subsequent chapters.

The coverage is generally comprehensive, though it might have been helpful to have a chapter (between chapters 3 and 4) on differences between welfare states in different countries. Whilst Esping-Andersen's categorisation can be found in box 3.5 on p.51, and in various places there are references to other countries' welfare provision and policy processes, the lack of an international perspective early on leaves us with the chapter on globalisation's 'convergence' message without the 'divergence' balance which a chapter on different types of welfare state would provide.

And somewhere in the book there really ought to have been a discussion of the differences between means-tested, insurance and universal benefits and of their respective consequences for individuals and society.

But these are minor quibbles. The book will be a most useful teaching tool.