

A Basic Income Is a Lifeline in This Crisis — But Can't Solve Everything

APRIL 20, 2020



A restaurant delivery person wears a protective mask while riding a bicycle during the coronavirus pandemic on April 19, 2020 in New York City. Cindy Ord / Getty

As the COVID-19 pandemic engulfed Europe and North America, previously unshakable foundations of neoliberal policy seemed to melt into thin air. Increased government intervention in health care provision appears to contravene decades of privatization and market “efficiency.” Debt-funded stimulus packages and bailout funds of unprecedented proportions indicate a pivot to expansionary economic policy. State-imposed lockdowns have shifted attention to the social value of goods and services and are fueling a widening conversation about the purpose of work and the economy. No wonder that on the Left, these measures reignited hope about the emancipatory potential of the crisis — and, to some, suggested nothing less than the [end of neoliberalism](#).

Nowhere was this hope more visible than among supporters of Unconditional Basic Income (UBI). After decades of advocacy and “mainstreaming,” it looked like the call for a guaranteed income for all was finally having its moment. Even the *Financial Times* acknowledged that cash handouts made sense during a pandemic that forces people to stay home from work. Well-worn but powerful objections about laziness and incentives to work suddenly became redundant, while the emergency context freed up fiscal resources that are kept under a tight lock under normal circumstances.

But as the contours of official relief measures became clearer, some of the [more high-strung hopes for UBI](#) have been tempered. Media have been quick to use this label for all and any cash transfers to stabilize incomes — for instance, several Anglophone outlets proclaimed that Spain had introduced UBI, when in fact the government has proposed a [poverty relief measure](#) benefiting only around 5 million people. Nowhere have current government responses taken the form of an unconditional basic income. Instead, existing measures are fragmented, ad-hoc, and time-limited. They are insufficient answers to the imminent need for income support during the lockdown — with little to offer to those who are already most vulnerable and exposed as unemployment and precarious employment relations dramatically increase in the coming recession.

Is UBI a preferable alternative — and if so, could it be implemented? When everything seems in flux, the previously unimaginable suddenly becomes thinkable. But despite its seeming popularity, we cannot expect this idea to materialize without a struggle. Periods of crisis expose power relations in all their brutality, without the usual mediations — they do not suspend them. Moreover, focusing on a single policy in the midst of a crisis of epic proportions glosses over the risks of deeper transformations in labor markets and class alignments. In this sense, UBI could be a crucial lifeline in the coming recession — but won't be a silver bullet.

A precondition for understanding the way ahead for emancipatory struggles is that we have a clear map of the situation in front of us. In this sense, the emergency responses thus far are useful in revealing the distribution of power and priorities, and established divisions in the labor market. And even though they are inadequate, they also harbor some opportunities that can be seized for wider transformation.

Despite its large scale, the British government's response has been fundamentally conservative in orientation. While it aims to ease the return to the precrisis status quo by minimizing job losses, it maintains existing divisions in the labor market and the punitive Universal Credit system of unemployment provisions. Newly introduced government subsidies cover up to 80 percent of the wage costs of employees for a limited period — yet only meet workers' wages if employers decide to keep them on their books. Faced with public pressure, this was complemented by a scheme that picks up some of the lost profits of the self-employed, but still leaves out precarious gig-economy workers and new entrants into the labor market. Those who have already lost their jobs fall back into an unemployment “safety net” which neoliberal workfare principles have left radically insufficient.

In the United States, a one-off cash handout of \$1,200 was implemented amid rising attention to basic income in the national debate. While the country's safety net is even more limited, current measures include drastic increases to unemployment benefits and the extension of entitlements to vulnerable workers, including freelancers and the self-employed. These measures provide direct income support without recourse to employers and have the potential to erode existing divisions among the working class by unifying entitlements. Yet these gains won't be sufficient in the face of the massive upheavals brought by the upcoming recession.

As the country hit hardest by coronavirus, the Italian response is a patchwork of [income support schemes](#): besides traditional unemployment insurance, and a more recently introduced guaranteed minimum income, a new emergency support mechanism consists of a €600 bonus for autonomous and part-time workers; and might include an additional “emergency income” for nearly 3 million people still uncovered at the moment. [Campaigns](#) are currently underway to counteract this fragmentation by extending the guaranteed minimum income to everyone in need and to eliminate work requirements — bringing it closer in line with UBI.

The advantages of UBI in the current circumstances are clear: 1) it directly addresses the income problem workers face, without recourse to employers or extensive means tests; 2) it flexibly ensures income security as employment relations change; 3) it avoids a fragmented response tailored to specific groups; 4) it can account for the needs of those in atypical, informal, or precarious working situations (e.g., those on zero-hour contracts, the pro forma self-employed), and those performing unpaid work within the family or community, where e.g., childcare now takes up more time due to school closures; and 5) it increases the bargaining power of workers who remain engaged in essential activities, to fight for safer working conditions and compensation for the risks to which they are exposed.

Yet, there is a crucial difference between unconditional cash transfers as a response to the immediate income losses many are suffering because of the lockdowns, and a permanent, full UBI.

Let’s be clear: an [economic downturn](#) is riding on the heels of the pandemic, and it’s [bound to dwarf anything we’ve seen in our lifetimes](#). Under these circumstances, temporary relief measures are a far cry from a permanent UBI and its emancipatory promise to free us from worries about our livelihoods. Nor should we assume, as [some of its advocates believe](#), that an

emergency UBI — were it implemented now — would simply stay put once its benefits are demonstrated in practice.

To the contrary: once governments try to kickstart the economy, they may be tempted — or forced — to push the costs of current emergency packages onto the backs of workers, through wage compression, high unemployment levels, and welfare cuts. We are already witnessing the large-scale socialization of losses in corporate bailouts, accompanied by mantras calling for collective sacrifices. But capitalist elites may demand even more severe forms of neoliberal austerity to deal with the post-health crisis period.

Preventing this scenario depends on how we use the opportunities of the present moment to mobilize and push back against a post-pandemic dystopia. Broad sections of society would benefit from an emergency UBI right now, which could provide a platform to unify demands for income support. But the transformation of such a measure into a permanent, structural UBI will also require strong mobilization. Building a sustainable class coalition will be a challenge as workers are affected differently by the current crisis. Finally, we must be vigilant not to fall for a mirage of cash transfers while labor relations, income security, and public welfare provisions are further hollowed out.

Indeed, despite what many want us to believe, this crisis has **not hit everyone in the same way**. As the risk of contagion recedes and lockdowns are slowly lifted, social distancing will have a tremendous and lasting impact on labor demand, with dramatic consequences for the composition of the labor market. Many — **though not all** — white-collar, middle-class workers who switched to working from home can rely on continuing income streams and employment relations. By contrast, a huge number of workers in many **manufacturing and services** jobs have been forced to stop working as their sectors have been deemed nonessential — notably service-sector workers in the hospitality, entertainment, and aviation industries, among others.

The more these sectors rely on short-term, insecure, or atypical employment, the greater are the subsequent job losses as operations are downscaled amid the economic downturn. The United States has already seen the [sharpest rise of unemployment in history](#), with [22 million people](#) filing for unemployment benefits over the past four weeks alone. However, not all workers are at home. For example, distribution sectors — often shaped by income and employment insecurity — are part of the fundamental infrastructure of the social distance economy, accelerating the move to more sedentary modes of consumption. Corporate giants like [Amazon](#) and Deliveroo will increase their domination in a market where workers — already poorly protected — will be disciplined by high unemployment.

The interaction between transformations in the labor market and government emergency cash transfers becomes crucial, here. We can sketch out the following scenarios: at worst, pressure from economic elites and neoliberal technocrats to roll back emergency subsidies will find little opposition among the educated middle class who are able to return to work. This will leave a mass of newly unemployed or precarious workers with little substantive support. Certainly, the white-collar experience during the lockdown could encourage interest in a permanent UBI. Temporary relief from the commute and new sensibilities about the value of work could give rise to demands for a better work-life balance and a reduction of the working week to focus on meaningful activities. Arguments for UBI as a way to maintain middle-class lifestyles while cutting “bullshit jobs” might seem particularly appealing in this context.

But a theoretical compromise between the middle class and economic elites to maintain emergency cash support schemes could still come to the detriment of the expanding mass of precarious workers and the unemployed. A downsized UBI is enough to make up for income cuts some might see under a reduction of the working week, but it won't cover the livelihoods of those who need substantive income replacements in the face of a deep,

structural crisis leaving them unemployed or underemployed. Worse, as many continue to struggle to make ends meet on meager income support, any extra cash will be pocketed by elites through mortgage, debt, and rental payments. In the United States, banks and private debt collectors have already been given [green light to seize “stimulus” cash grants](#) to offset prior debt, despite the explicit purpose of these checks to support livelihoods. In this scenario, a UBI could obscure and legitimize a permanently worsened condition for the precarious working class.

Transforming current cash transfers into a structural, permanent UBI needs to be driven by strong popular mobilization and underpinned by demands for full livelihood support if this goal is to stand a chance at success. At the same time, we must not neglect the need for substantive improvements in sectors already marked by job and income insecurity. Any fight for UBI would be self-defeating unless it includes the struggle against financial accumulation and household debt, welfare retrenchment, and wage compression, not least in those jobs whose social value has become more obvious than ever.

The pandemic has laid bare the fault lines of struggle. With it comes the great opportunity of the present conjuncture: the recognition that we can't go back to normal. But we also need to be attentive to the very concrete risk that the new normal could be worse than the old. Let's temper both utopian optimism and reflexes to denounce what could be political opportunities. The outcomes of the crisis are fundamentally a matter of political organizing. We need to pay greater attention to the diverse but interlinked struggles that shape them. Otherwise, even if an emergency UBI might be a battle won, we're losing a war.

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