Australia: Basic Income and Decency.

Abstract
There are many reasons to introduce a universal Basic Income in Australia. In this paper, I shall list some of them and then expand upon their applicability in the context of current ideological and socioeconomic debates.

The amalgam of social-conservative and economic-liberal ideologies, which has been the hallmark of the Howard Coalition Government for the last decade, has resulted in increased targeting of the categorical and selective social security system. Each year, many thousands of social security recipients have had their payments suspended for up to 26 weeks because they failed to comply with recently imposed obligations. Some, for instance, have been “breached” for failing to attend an appointment at Centrelink (the Federal Government’s social security agency) or a private job search agency.

Were a universal Basic Income introduced in Australia then unemployed people, those with disabilities and others who have limited access to income would have greater financial security. The nation would have the opportunity to develop into a more egalitarian and less censorious society.

Introduction
Some have attempted to argue the case for the introduction of a Basic Income because of the ease with which it could be allocated to citizens (Milner 1920). Others recognise its capacity to invigorate the economy. Amongst these writers, some believe the economy would expand following the introduction of a Basic Income because it would free up entrepreneurial imagining, provide opportunities for workers to engage in new occupations and remove many obstacles to further production. Others argue that the economy would contract if a Basic Income was introduced because many people would choose to live more sustainably and would work fewer hours. Some writers suggest that the presence of a Basic Income would lead to more people joining the labour force because of the greater flexibility in the work place and because a Basic Income removes welfare benefit poverty traps (van Parijs 1992[a]). While others contend that many employees would leave work because they would no longer experience the economic necessity which forces them to seek employment. These writers propose that if a Basic Income were introduced it should have a work participation component attached to it (Atkinson 2002).

The objection that “people would not work with a BI” seems to have a special quality: once launched, it is taken as self-evident... we have overtime work performed by people who already have a salary, and there are people who start working again immediately after early retirement (in all cases, with retirement benefits that are significantly superior to those appearing in the different BI proposals). Nonetheless, the assumption still persists that, with a BI, “nobody would work”. A strange way of understanding the matter. Is it not closer to prejudice than reasoning (Raventós 2005 pp.1-2)?

Standing (2002) has based his support for Basic Income on the grounds that it erodes paternalism and Van Parijs (1997) suggests it could provide Real Freedom for All.
The elimination of poverty, in countries which introduce a universal Basic Income, is frequently given as the reason for supporting this idea. Frankman (2002) argues that the introduction of a Basic Income in every country in the world would abolish poverty and malnutrition from the planet. Some writers have proposed a Basic Income because it would promote social justice. Others argue it promotes equity and would usher in a more egalitarian society. Nattrass (2004) suggests a Basic Income in South Africa would help in the fight against AIDS and poverty. Other writers have suggested that a Basic Income could ensure a fairer distribution of income support, weaken administrative discretion and enhance poor people’s sense of security. Some have argued for a Basic Income because it would promote industrial democracy.

Thomas Paine’s *Agrarian Justice* published in 1797 argued that the right to a Basic Income stems from our right to use the commons (Reprinted in Cunliffe and Erreygers 2004, pp. 3-16). In everyday parlance, this is the right to share the common wealth of the nation or the planet. In *Real Freedom for All* van Parijs (1997) makes the case that the common wealth which should be shared includes inventions because no invention is created in a vacuum. That is, an invention is a small departure from all the other inventions of humankind which have preceded it (see also Heinlein 2004 [written in 1938-39]).

I argue that the most compelling reason to introduce a Basic Income is that it is the decent thing to do. Some might consider such a position smacks of noblesse oblige, stemming from an inherently conservative idea of good form but it arises from a commitment to socialist humanism. It is tempting to replace “decent” with “correct”, but this has the potential to suggest that of all the possible grounds for supporting a Basic Income, there is one right way to proceed. Such an approach is far from my reasoning about what is the decent thing to do.

There are indeed excellent reasons for introducing a Basic Income: many are compatible and so provide cumulative grounds for arguing the case. For example, the idea that a Basic Income is socially just does not interfere with the fact that it enhances equity and promotes a more egalitarian society. The increased income security which a Basic Income would give to low income earners and those without access to other funds, is part of living in a more egalitarian society. We know that the more egalitarian a society the less differentiated are the health outcomes among classes of people (Wilkinson 1996, Eckersley, Dixon and Douglas 2001). There is nothing incompatible about working in an industrial system where there is widespread industrial democracy and living in a socially just country.

**Some reasons we might want to introduce a Basic Income in Australia**

A universal Basic Income has many advantages when compared with the existing Australian residual, means-tested, categorical system of income support. The main gains which would flow from changing to a universal income support system can be grouped into five major themes. A Basic Income would:

1. be economically sustainable,
2. be easy to administer,
3. be ethically sound,
4. be non-discriminatory, and
5. enhance citizenship.
Economic sustainability
(a) The level of payment of a Basic Income determines the extent to which it
alleviates poverty: if set high enough, it has the capacity to abolish poverty in a
have put forward proposals to abolish absolute poverty throughout the world.

(b) A Basic Income is affordable. Australia is an affluent country which could easily
afford to introduce a Basic Income paid to every permanent resident at a rate slightly
above the Age Pension for single pensioners. An amount of five hundred dollars per
annum above the Age Pension rate would be needed to cash out the tax deductibility
concession currently provided to Age Pensioners who have additional income, if they
are not to lose in the transition to a Basic Income. A Basic Income at this level would
ensure that no current social security pensioner or beneficiary would be disadvantaged
by the shift to a Basic Income whilst most social security recipients and low income
earners would be financially better off.

Critics of such a proposal might claim that the affordability of such a Basic Income
scheme is not established simply by asserting it is feasible - and they would be
correct. But there have been economic analyses of the financial feasibility of Basic
Income and like programs in Australia. In 1975 The Henderson Poverty Inquiry
costed the introduction of a Guaranteed Minimum Income. Saunders (1995) argued
that a conditional Basic Income, with participation requirements, was affordable.
Humphreys (2005) has argued a Negative Income Tax of $9,000 per annum is
affordable in Australia. Economic historian, Keith Rankin (1998), has demonstrated
that a Basic Income is affordable in New Zealand (our closest developed neighbour)
and the Irish Government has come to similar conclusions in their country (Healy and
Reynolds 2002). Casassas, Raventós and Wark (2005) have suggested a Basic Income
is viable in East Timor. Miller (2006) has set out a three tiered system of income
support which differentiates between children, working aged people and those of
pension age in Britain and claims it is economically affordable.

Perhaps the clearest and most succinct refutation of the suggestion that Basic Income
is unaffordable was put forward by Jose Iglesias Fernandez (2002). He argued for a
Basic Income for Catalonia at a rate of half of the per capita income of this region of
Spain. He says that since the wealth needed already exits, the question is not
affordability but willingness to redistribute that income. The proposal suggested here
for Australia is a Basic Income of approximately 25% of average weekly earnings
which would involve considerably less redistribution than that suggested for
Catalonia.

(c) A Basic Income would lessen many labour market obstacles to revitalising our
economy by removing labour market inflexibilities. The increasingly narrowly
targeted system of social welfare benefits in Australia, particularly when coupled with
the vicious breaching and “mutual obligations” regime of the Howard Government
means that workers cannot be sure they will have a social welfare safety net to fall
back on if they lose their job. This causes workers to oppose changes in the workplace
which they perceive as potentially undermining their employment security. This, in
turn, makes it harder for employers to develop cooperative restructuring of
workplaces. A Basic Income would guarantee workers an on-going capacity to live in
frugal comfort even if they lost their jobs and would lessen resistance to workplace change.

At the same time as it encourages people to work, a Basic Income does not compel them to work under unbearable conditions because income support cannot be removed by a government in times of an industrial dispute, as is currently the case in Australia (Nolan 1997). A Basic Income is a “kind of unconditional and inexhaustible strike fund (Wright 2005 p. 201)”. Dennis Milner argues, on the contrary, that a Basic Income:

would remove much suspicion about the sharing of national prosperity and would make strikes unpopular, since the share coming into every home would be directly reduced by the absence of contributions from those on strike, locked out or unemployed as a result of either contingency (1920 p. 121). All this needs to be balanced by the realisation that even when people in the European Union have won prizes which guarantee a salary for life (much more generous than any Basic Income proposal), few leave work and, of those who do, most take on other jobs more in keeping with their preferences or abilities (Marx and Peeters 2004).

(d) A Basic Income provides a known economic base on which government’s other social, health, tax and educational policies can be constructed. In 1983, the Australian Parliament’s Joint Committee of Public Accounts identified 10 Departments with a responsibility for 127 income maintenance programs the level of complexity of which was bewildering (Vol. 1 p. 1). Since then, efforts have been made to rationalise some of these payments but further complexity has arisen from increasing use of age as a determinant of level of payment. Some income support is provided through the tax system and there is a confusing array of mechanisms which combine tax and social welfare clawback. This often results in very high effective marginal tax rates making it nearly impossible for non-experts to calculate how much a person is likely to end up with, in their hand, even when the benefit they are receiving is known. In addition, two individuals in almost identical circumstance might be eligible for any one of up to three payments, leading to further confusion.

The end result is that no government can predict the income level of any group of social security recipients. This makes it hard for governments to work out what supplementary income support programs or ancillary services might be needed to ensure adequate levels of support are provided. In 1983, the Joint Committee of Public Accounts found that as far as the department of social security was concerned “In relation to pensions and benefits, the prime policy objective is:

to provide a basic level of income support below which no one can involuntarily fall (Vol.2 p.5).”

This statement evokes memories of Rhys-Williams’ comments in 1965 about a guaranteed minimum income floor. The present Government has retreated some considerable distance from the 1983 position.

Were a Basic Income in place, governments could be certain that no individual permanent resident’s income was below the Basic Income. This would facilitate planning in community services, health, tax and education.

(e) A Basic Income is ecologically sound. Under the existing Australian system of privatised superannuation people are expected to provide for their own future in
retirement. Currently, those who are unable to provide for themselves can apply for an income and asset-tested Age Pension. If people’s economic wellbeing in retirement is substantially dependent upon the amount they can accumulate, during their working life, then they are likely to be driven to exploit the environment and existing industrial infrastructure in order to maximise their economic return.

If, on the other hand, people lived in a society which recognised the importance of communal provision then quite different economic practices would prevail.

Future economic prosperity is totally dependent upon having an environment – both natural and industrial – which has the capacity to continue to produce sufficient wealth to maintain standards of living for all…If retirement income is dependent upon those in employment paying their taxes which are then redistributed to the young and the retired, this results in the basic structure being in place to encourage all permanent residents to develop environmentally sustainable exploitation and to ensure that investment is made in industrial, educational and technological infrastructure. (Tomlinson and Lincoln 1995 p. 61).

(f) A Basic Income removes the mystification that the existing Australian social security system is redistributive and, at the same time, underlines the need for the tax system to take on a clear redistributive function. Many Australian writers have pointed to the vast differences in income and wealth among different classes of citizens (Eckersley, Dixon and Douglas 2001). The disparities in income and wealth are increasing (Briggs and Buchanan 2000, LHMU (2003). There is a huge variation in average wealth of people living in different post code areas. Generally, the further one lives from a capital city the poorer one is likely to be.

Indigenous Australians are frequently excluded from mainstream employment; they experience racism and poverty, and have poor access to health, housing and community services: as a result they die on average between 15 and 20 years younger than other Australians (ABS and AIHW 2003 Ch. 9, Jonas 2003 Appendix 1, Tomlinson 2005).

Social security payments are set at levels ranging from slightly above the Henderson Poverty Line (Age Pensioners) to as little as 40% of that Line (young unemployed people). Social security has the capacity to maintain people in poverty but not remove people from being in poverty. Combined welfare and tax clawback mechanisms ensure that when poorer citizens attempt to escape poverty they encounter many obstacles.

The tax system has been extremely well crafted to provide the rich with tax loopholes, deductions and avoidance arrangements which are not available to the poor. This has always been the case in Australia. The payment of income tax is optional for many of the most affluent citizens (Smith 1993, Caro 2005).

The existing social security system does not redistribute sufficient income to let people escape poverty: the present tax system doesn’t try. Increasingly deregulated workplace relations, coupled with the proliferation of casual part-time and precarious jobs, offer little hope of affluence for low skilled employees.
One benefit of a Basic Income would be that unlike the present system where hardly anyone knows how little social security recipients receive, everyone would know the rate of Basic Income. This then has the capacity to encourage rational debate and might lead to pressure to raise the level of the Basic Income.

(g) A Basic Income increases the bargaining power of the poorest permanent residents. It increases workers’ power vis-à-vis capital (Wright 2005). The present Australian Government has enforced an imposing array of “mutual obligations” upon social security recipients, particularly those who are unemployed. A 2003 report entitled Much Obliged, commissioned by the Brotherhood of St Laurence and the St Vincent de Paul Society, asserts that people who become long-term unemployed have so much of their time taken up just meeting the obligations imposed on them by the Government that they don’t have time to find work: the report concludes the “mutual obligation” regime “is failing the most disadvantaged job seekers. Overall the system operates…not as ‘welfare to work’ but ‘welfare as work’” (Ziguras, Dufty and Considine 2003, p.43).

There is very little mutuality in the present Australian system of “mutual obligations”. The Government provides an income which, for most, is less than the poverty line but demands in return that recipients meet a series of enforced “obligations” The Federal Government in recent years imposed its “work for the dole” policy, demanding young unemployed people who have literacy or numeracy difficulties attend classes on threat of having their benefits reduced, and increasing threefold the number of suspensions of payments inflicted on Social Security recipients in the three years to 2002. Centrelink imposed 386,946 breaches during the 2000–2001 financial year (ACOSS 2001, 2002, p. 2). Considerable numbers of those who have had their payments suspended have experienced homelessness and other life crises (Ziguras, Dufty and Considine 2003, Schooneveldt 2004).

Because a universal Basic Income is not dependent upon the recipient doing anything in return for the payment, apart from establishing that they are a permanent resident, they cannot be compelled to do anything. The introduction of a Basic Income would substantially increase poor peoples’ sense of security and feeling of having control over their lives. It would be likely to make many feel they were again stakeholders in society. At present, many poor people in Australia feel more like steak holders at a barbecue who get to put the steak on, cook it and watch while the rich take it off and eat it.

**Ease of administration**

(a) As a concept, a universal Basic Income provided to each permanent resident of a country at the same rate irrespective of work readiness or any other social feature, is straightforward and easy to understand. Unfortunately, many of the proposals put forward in specific countries have been quite complex. The complexity arises, for the most part, because of the need for a transition from social insurance or a system of categorical welfare (or both) to a Basic Income. Other complexities are introduced by the desire, on the part of Basic Income advocates, to ensure that non-affluent people don’t lose as a result of the change-over.

(b) A Basic Income is easy to administer and provides an efficient way to ensure that people in need are provided with an income sufficient for them to live in frugal
comfort. It is easy to administer because identical payments are made to all permanent residents without having to determine age, gender, marital status, work readiness or any other social status. The only administrative determination to be made is whether the person is a permanent resident.

**Ethically sound**

(a) A Basic Income is ethically sound in the sense of being just / fair, yet it treats everyone equally. Proponents of Basic Incomes (van Parijs 1997, Standing 2002, 2004, Gorz 1997 Lerner, Clark and Needham 1999, Murray 1997) have expended considerable effort setting out their ethical justification of Basic Income and criticising the ethical failings of targeted and means-tested systems of income support, particularly those which impose obligations upon recipients (Kinnear 2000, Goodin 2001, Schooneveldt 2004, Tomlinson 2003[a] Chapter 8, Boston and St John 1998). Irrespective of their personal ideological position, these writers suggest the superior ethical claim of a Basic Income is that it is more just, fair and equitable than welfare distribution systems (similar to that of Australia). Boston and St John (1998) have acknowledged that, because both rich and poor receive identical payments, a Basic Income doesn’t direct the most income to those most in need, the outcome is potentially inequitable. The argument being that to treat unequals equally is as unjust as treating equals unequally.

Boston and St John (1998) writing about New Zealand - but with huge relevance to Australia - point to the increasing complexity of targeted benefit systems in recent years and go on to point out that “despite constant political rhetoric to the contrary, greater targeting has not protected the relative position of the poor or delivered a fairer society (p. 23)”. Advocates of Basic Income assert this is not a design flaw in the system of Basic Income; rather it is the inherent unfairness of the capitalist relations which leads to the problem. This means that the system of class relationships in societies, like Australia, needs to be addressed in addition to providing a Basic Income if a truly egalitarian society is desired.

(b) A Basic Income evaporates moral hazards by simultaneously removing the perverse financial rewards and poverty traps present in the existing welfare system. The existing welfare system has been subjected to frenzied attacks by workfare supporters like David Green (1996) and Lawrence Mead (1997, 1986) both of whom suggest such systems encourage “welfare dependency”. Their position has, in turn, been criticised by participation income supporters like Atkinson (2002), Job Guarantee supporters (Mitchell and Watts 2003, 2005) and by Basic Income advocates (Goodin, Headey, Muffels and Dirven 1999, Rob Watts 1995, Tomlinson 2003[b]).

Poverty traps and high marginal clawbacks, due to combined tax and welfare withdrawal mechanisms, have been criticised by a range of commentators from Australian Federal agencies (Economic Planning Advisory Council 1988), conservative government ministers (Abbott 2003) to welfare academics (Boston and St John 1998).
Universal Basic Incomes pay all permanent residents, as individuals, whether they work or not thereby simultaneously avoiding poverty traps and perverse financial incentives.

(c) A Basic Income is non-judgmental, is less subject to bureaucratic discretion and it abolishes any worthiness criteria because it is paid universally to all permanent residents of a country. When I studied social work in the 1960s, one of the points of difference (my lecturers made) between social work and charity work was that social workers did not judge the worthiness of their clients (Biestek 1974). I later criticised the wholesale embracing of non-judgmentalism by counsellors in a paper entitled “Father Biestek and the 7 Little Mystics” (1982 pp. 86-97). Arguing that counsellors should use their judgement when assisting clients is a far cry from suggesting that people applying for income security should be divided into worthy and unworthy or deserving and undeserving categories. Under a Basic Income, bureaucratic discretion is restricted to determining who is a permanent resident and who is not.

Embedded in all non-universal income support systems are judgements about the needs and the social worth of potential recipients. When the first Australian Commonwealth pensions were introduced in 1910, applicants were required to establish they were of “good moral character” before they would be paid. Such provisions remained in place until 1973. The 1601 and 1834 Poor Laws made a distinction between deserving and undeserving applicants. Joel Handler (2002) has traced this distinction back to the Statute of Labourers in 1348 with its intention to avoid assisting “sturdy beggars”. Such distinctions have probably been around since the concept of charity emerged.

Non-discriminatory
A Basic Income does not discriminate on the basis of age, sexual preference, marital status, willingness to work or any other social feature. All permanent residents of a country are entitled, as individuals, to receive the Basic Income.

(a) A Basic Income is inclusive of people with disabilities. Whilst there may be some medical conditions where discrete divisions exist between those who can work and those who have an impairment which prevents them from working, most people applying for a Disability Support Pension do so because they experience a multitude of factors, which leads them to consider themselves “disabled”. Most medical, psychiatric and social impairments are manifested on a continuum from mildly inconvenient to clearly “disabling”. It is the way that the various health, social and psychological components interact which determine whether the assessors consider the individual has met the thresholds of “disability” sufficient to justify payment of the Disability Support Pension.

When Australia had an Invalid Pension (1910- 1991) the person applying had to establish to a Commonwealth Medical Officer that they were 85 % incapacitated. They could be incapacitated by medical or psychiatric conditions but social disabilities, like poor education or behavioural difficulties, were not supposed to be taken into account. The Disability Support Pension that replaced the Invalid Pension purports to be based on far more rigorous and technologically advanced criteria. These claims are little more that pseudo-technical quackery but do allow a wider range of social functioning to be taken into account.
The application of a template, which purports to measure accurately the degree of impairment, reduces professional decision making about levels of impairment to some quasi-technical function. Even if the schedule, which determines levels of impairment, is applied and assessed accurately, this only succeeds in raising further questions about what exactly is being measured. We know that people assessed as experiencing equivalent levels of impairment often have very different work histories (Perry 1995 p. 29).

Smith (2001) asserts that we are led into this trap because of the preoccupation of governments with the “problem of dependency and the myth of independent living” particularly as it is applied to people with disabilities. He suggests that the “problem of dependency” is often “socially constructed as individually asymmetrical. That is, the disabled person becomes defined as dependent upon others in such a way that denies the possibility of understanding the relationship in more ‘enabling’ forms (Smith 2001 p. 597)”. What we are doing is using the measurement of impairment as an indirect measure for the assessment of financial need. Goodin (1992) concedes that in a perfect world a welfare system might be able to identify and pay all the poor and only the poor. But the State often employs surrogate measures and bases its presumptions about “need” on sociological “facts” which are “uncertain, highly variable and, in any case constantly changing (p. 210)”.

Nattrass (2004) points out that in South Africa people with HIV - AIDS who receive appropriate treatment sometimes find they are subsequently assessed as not being sick enough to continue to receive a disability payment and are cut off benefits. This leads some to withdraw from treatment as they have no other way to support their family. Nattrass’ insight into perverse rewards applies in other situations and other countries. In Australia, we are “scientifically” measuring features which have little to do with what we should be assessing if we are trying to determine an individual’s need for financial support. This, in turn, raises the question as to whether income support should be provided because of the existence of impairment or as a right of citizenship, as Basic Income advocates urge.

(b) A Basic Income is non-racist. The Commonwealth of Australia maintained explicitly racist social security provisions against Asians at least until the 1940s, Indigenous people living in the cities until the 1960s and Aboriginal people living in remote Australia until the early 1970s (Tomlinson 2003 [b]). The legislation and the regulations are no longer explicitly racist but the way they impact upon asylum seekers and Indigenous people often is. A Basic Income is colour blind.

(c) A Basic Income provides an opportunity to ensure that Indigenous Australians have a greater control over their lives and communities. Aboriginal people living in the 1,000 rural and remote communities across Australia frequently find that the only employment available to them is the Community Development Employment Program (CDEP). Recently there have been increased obligations imposed on Indigenous Australians engaged in CDEP schemes in rural and remote areas (Karvelas 2005). The Government announced its intention to force young Indigenous CDEP workers from
remote communities to leave their communities to get western training in cities (Department of Employment and Workplace Relations [DEWR] 2005, p. 11).

In 2005 in the North of Western Australia, the Halls Creek Centrelink office began a scheme to stop social security payments to families whose children weren’t attending school (Strutt 2005). The Centrelink staff announced that Indigenous families could have their social security withheld if they didn’t comply with government dictates (contra Debelle 2005, Gordon 2005, Tomlinson 2005). Then, early in 2006, the Federal Government announced it had signed 120 “Shared Responsibility Agreements” with Aboriginal communities. These agreements oblige the community to do something the Government wants done in return for being provided with services most Australians take for granted (Background Briefing 2006).

If a Basic Income was in place, Indigenous people would be far better equipped to control their own lives and their communities. Governments would have less opportunity to impose white inspired obligations on them (Tomlinson 2005, 2003 [b] Chapter 6).

At 10 communities across the country, a federal or state department took responsibility for co-ordinating government programs and consulting with elders to ensure government help was well-targeted, timely and effective. But new data reveals that vast sums are being spent on overseeing the trial in some cases up to 10 times more than the money they are administering. In the most extreme case, the Department of Immigration and Multicultural and Indigenous Affairs spent $327,784 to administer funding of just $34,318. This year it plans to spend $250,000 on administration even though no program funds have been allocated (Schubert 2006).

(d) A Basic Income does not discriminate against people on the basis of locality, gender or age (assuming there is no child payment category or distinction made between working age and older aged residents as in the Miller 2006 and Henderson 1975 proposals). Beneficiaries and pensioners living in some remote parts can claim a small Remote Area Allowance designed to assist them with the extra cost associated with living in such areas. A Basic Income would, in the interests of simplicity, not make such a distinction.

The Australian social security system has since 1908 contained gender specific conditions, these are being phased out. A Basic Income would be gender blind.

Also since 1908, parts of the Australian social security system have discriminated on the basis of age. Age discrimination has become a more frequent feature of this system in the last decade. Ideally a Basic Income would not discriminate on the basis of age but, as a part of the transition to a full universal Basic Income, it may be necessary to pay children (living with their parents) who are under the age of 16 years a lower amount than adults. This may be necessary in the short term because of prevailing attitudes about children and parental responsibilities.

(e) Because it is paid to individuals irrespective of their marital, employment or other social status, a Basic Income will help minimise intra-family inequality. It has been recognised in Australian policy circles, at least since the 1975 Asprey Report, that inequities can occur when one member of a household monopolises control of
income. To many feminists such policy insights were no surprise. A Basic Income, because it is provided to each individual, helps alleviate many of the intra-household income distributional issues in relation to basic needs.

Citizenship
(a) A Basic Income is an entitlement paid to all permanent residents of a country. It is not a charity and no stigma will attach to it. A Basic Income paid as a right to each permanent resident becomes an entitlement of citizenship. It is not a charity or a handout and so provides the conditions to finally end the poor law mentality of less eligibility which has underpinned the welfare system since the British invaded Australia in 1788 (Tomlinson, Dee and Schooneveldt 2005).

(b) A Basic Income provides an enabling as opposed to a compelling system of income support (thus enhancing citizenship). Workforce partisans (Mead 1997, 1986, Green 1996), participation income advocates (Atkinson 2002, White 2003), job guarantee proponents (Mitchell and Watts 2005), and other stalwarts of ‘active society’ propositions (Cass 1995, 1988, Pixley 1993) argue that welfare recipients should engage in some approved activity in return for receiving assistance. The Australian Prime Minister, John Howard adopts somewhat similar ideas in his 1999 Roundtable paper and his 2000 "Quest for a decent society" article in which he laid out his ideal social coalition - between government, businesses, churches, families and individuals. He saw the cement for such a coalition being what he terms “mutual obligation” - whereby those who receive something from the Government are expected to “give something back”. Writing in 1938-39, though not published until 2004, Robert Heinlein attacked such expectations (Chapter 10).

Basic Income advocates, for the most part, don’t want to attach any requirements to receipt of the Basic Income. Some, like Standing (2002) and Goodin (2001), take this position to combat society’s propensity to act paternalistically towards those provided with income assistance. Van Parijs (1997) rejects attaching conditions to Basic Income because to do so erodes “real freedom”. Still others (Milner 1920, Widerquist 2004, Raventós 2005, Tomlinson 2003[b], Segal 2005 p.344) reject conditions being attached on the pragmatic grounds that, if a Basic Income were in place, the overwhelming majority of people would continue to work and / or make other contributions to society without compulsion.

Robert Goodin (1992) wants to avoid compulsion because he sees Basic Income as an exercise in “minimally presumptuous social policy”. Jose Luis Rey Perez denies that reciprocity demands any particular “contribution” by recipients, arguing that “the State must offer an infrastructure that promotes participation, but does not require it (2005, p. 233)”. He, like many Basic Income advocates, suggests that a Basic Income enhances citizenship by promoting social insertion / inclusion. Segall asserts: Reciprocal relations…based on equity would be quite different from reciprocity …based on the equality principle, and more so from one based on the need principle…It is therefore wrong to hold that strict proportionality, for example is the only true interpretation of the principle of reciprocity (2005 p. 337)”.

(c) A Basic Income removes more affluent people’s opportunity to engage in downward envy. The Howard Government effectively marshalled the affluent and
many workers with the suggestion that “their hard earned income” was going in taxes which were “paying the lazy unemployed to sit on the beach”. The suggestion was that these “Dole bludgers” were “shirking their responsibilities to work or in other ways give something back”. The downward envy thus generated was used to justify / mystify the imposition of “work for the dole” and other compelled obligations (Tomlinson 1999). As everyone would get the Basic Income there will be less opportunity to divide workers from their out-of-work comrades.

(d) Because a Basic Income pays every permanent resident an equal benefit, it should lead to wide community support for such programs. Robert Goodin and Julian Le Grand in 1987 argued that universal income support programs are more likely to engender widespread community support than targeted programs. Such a conclusion is confirmed by the work of Boston and St John (1998) in New Zealand. Many Australian observers have pointed to the increasing divisiveness in society and lack of support for welfare services occurring in the absence of universal programs in Australia. Despite a decade of attempts by the present Australian Government, the Medicare health insurance system, though weakened, has continued to be supported by the majority of citizens because its health safety net is available to all permanent residents.

(e) Because a Basic Income is universal, it is comprehensive and increases feelings of social solidarity. Many participation income advocates argue that requiring people to engage in some approved activity in return for the receipt of an income encourages social inclusion / insertion. Even though they oppose participation requirements, Basic Income supporters (Rey Perez 2005, Standing 2002, 2004, Hutton 2002) contend that enhanced social inclusion will be one of the outcomes of having a Basic Income in place. I argue that the effect of a universal Basic Income is more positive than that. A Basic Income converts the meaningless phrases of “increasing community capacity” or “increasing social capital”, “ensuring social insertion / inclusion” into a substantial process by encouraging sharing whilst allowing an equal taking from the society’s income pool. A Basic Income has the capacity to increase equality and because all permanent residents benefit to some extent, it also has the potential to increase the sense of solidarity.

(f) A Basic Income discourages the idea that the provision of secure income support causes “welfare dependency”. It encourages the idea that an income floor, below which no permanent resident will be allowed to fall (Milner 1920 p. 117), is simply a way to provide income security.

Governments which most ardently push a “mutual obligation” agenda are the very ones who are preoccupied with “welfare dependency”. Ray Cassin, chief leader writer of The Sunday Age, reflecting on these phenomena points out that:

You can be 'on' social security in the literal sense of receiving benefits, but this usage does not carry the pejorative flavour of being 'on' welfare. The reason is not mysterious: we do not talk about social security dependency, or social-services dependency because 'social security' and 'social services' are bound up with an older notion of entitlement, and an understanding of mutual obligation that goes beyond tit-for-tat reciprocity….

The ideal of mutual obligation underpinning a system of social security is not one of reciprocity, but of obligation borne by all of us to contribute to the
support of people who would otherwise be destitute (2000 p. 22, see also Cass 1995 p. 38).

From 1918 until 1922 Dennis Milner, Mabel Milner and Bernard Pickard campaigned for the introduction of a Basic Income (Van Trier 1995 Part 1). As Walter Van Trier (1995) and Philippe van Parijs (1992[b] p. 25) remind us, ever since the pleas for Basic Income written by Bertram Pickard (1919) and Milner (1920), economic efficiency arguments have played a major role. The Milners and Pickard wanted to ensure the inadequacies of the British poor law system were overcome, to enhance national productivity and to provide a more equitable base from which workers might negotiate wages (Van Trier 1995 Part 1). Many of the issues dealt with here are synonymous with those which preoccupied the Milners and Pickard. Milner did not see the introduction of a Basic Income as the be-all and end-all; just one step on the way to a more secure life for all citizens.

**Social programs have to be paid for**

There are many ways a country might pay for its social programs. In Alaska, for instance, the Basic Income was initially financed from royalties on oil production and is now paid for mainly from interest on investments made from oil production (Goldsmith 2004). Australia does not have sufficient proven oil reserves to fund such a scheme and it is therefore likely that a Basic Income would be paid out of current tax revenues, as is the existing system of social security. That is, the funding for income support programs does not come from past income - taxes paid this year go to pay for social welfare payments this year.

There is no groundswell of public opinion likely to force Australian governments in the near future to set aside royalty payments from resource extraction to fund future income support payments. This increases the importance of educating the public about the need to pay taxes if their income support needs are to be safeguarded in the future. There has been a concerted campaign in Australia and the United States, since Regan, to lower taxes and install user pays (loser pays) regimes. This is part and parcel of the economic fundamentalist hegemony that has slowly enveloped much of the English-speaking West (Pusey 1991, Vintila, Phillimore and Newman 1992, Rees, Rodley and Stilwell 1993, Omerod 1994, Kelsey1995, Hutton 2002, Standing 2002, Stilwell 2002).

In Australia, economic fundamentalism has led to more tightly targeted income support programs and even the abolition of some: such as unemployment payments to young people below the age of eighteen years (Tomlinson 2003 [b]). Excessive imposition of so-called “mutual obligations” has led to widespread suspension or stopping of payments (AJSI 2002, Ziguras, Dufty and Considine 2003, Schooneveldt 2004). There have even been large-scale cutbacks in the provision of social insurance and other income support payments in many parts of Europe in recent years (Standing 2004). One end result of the increasing meanness in social welfare provision is increasing uncertainty and feelings of individual vulnerability. Another major thrust of fundamentalist economics is an increasingly deregulated labour market that has resulted in over half the Australian workforce being engaged in part-time, casual or precarious employment (Lucarelli, 2005, Schooneveldt 2004).
Together, these changes lead to Australian people feeling at greater risk than two decades ago. Governments and industry determinedly push self-provision over communal provision, reward “success” at any social cost and attack unions resulting in a dog-eat-dog world as we try to beat others in the race to the bottom. This is the exact opposite of what is needed if people are to make a fair contribution to tax revenue in order that they too might draw from the common wealth when they need it.

The push towards self-provision assists the better off
Privatised superannuation rewards people in inverse proportion to their needs - “to those that have shall be given”. Councils of Social Service have been warning since at least the early 1990s of the built-in inequities of privatised superannuation (ACTCOSS 1991). Low paid seasonal workers and those who spend most of their most productive years raising children find their contributions to superannuation whittled away by fees and charges. Then there are others who join funds only to find that corrupt operatives have syphoned off their contributions.

But the biggest failure of privatised superannuation is that many of the most impoverished Australians will never receive any benefit from such schemes. Many who are unable to enter the workforce on account of severe disabilities, Aborigines and Torres Strait Islanders who work on the Community Development Employment Program (CDEP) and those relegated to low paid intermittent employment never get as far as making payments into such schemes, let alone drawing money from them (Tomlinson 2003 [b]). Yet governments waste billions of dollars allowing superannuation tax rorts each year. Such processes undermine the sense of solidarity amongst the population.

Conclusion
A Basic Income provides a foundation stone on which to build an advanced civilisation precisely because it legitimises both the gift of giving and the joy of receiving. It embodies a sense of social solidarity through engaging in a form of mutuality that goes beyond “tit for tat reciprocity” (Cassin 2000). It provides a minimum income floor beyond which no one can fall yet has no ceiling which prevents people rising (Rhys-Williams 1965 p. 163, see also her 1943 and 1953 books, Milner 1920 p. 117). The ideological emphasis which a Basic Income brings is that of an inclusive citizenship: the duty that each of us owes to all and the equally pressing duty that all of us owe to each.

A Basic Income would ensure that people have access to money when they are in financial need. It does not interfere with incentives to increase income and it rewards self-help. It inculcates the young, reminds the middle aged and the old of the need to ensure that no-one goes to bed hungry and in this way allows and encourages intergenerational transfers by underlining the importance of social solidarity. It stigmatises no-one because it treats all permanent residents equally. It converts the meaningless phrases of “increasing community capacity” or “increasing social capital” “ensuring social insertion /inclusion” into a substantial process by encouraging sharing whilst allowing an equal taking from society’s income pool. It is a universal program, and because it does all the things listed above it enhances the quality of community life. Above all, it is the decent thing to do.
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