

Session 2 agenda, 9/11/03. Sociology 929, *Envisioning Real Utopias*. Basic Income

I. BASIC INCOME

1. Clarifications of arguments

- What does PvP mean by “employment rent” and how does this form the justification for the taxes needed for BI? (Matais, Chang)

2. A range of objections to Basic Income and its possible effects:

- **migration**: massive movement of poor people to BI country (Adam, Elizabeth, Eric) or migration of lousy jobs to poor countries? (Linda)
- **capital flight**: wouldn't basic income just provoke massive exit of capital? (Eric)
- **prices**: inflationary pressures for housing and other lower income consumption (Adam)
- **small businesses**: If BI or stakes generate masses of small businesses, might this not undermine productivity because of a loss of the advantages of economies of scale? (Matais)
- **too individualistic**: does BI (and stakeholder grants) simply change individuals' lives rather than really change society? (Zeynep)
- **low wage subsidy**: won't BI function as a wage subsidy for low wage work? (Stuart)
- **Future of lousey jobs**: who will do the worst jobs if BI is introduced? Will this lead to “enslavement of poor countries”? (Linda)

3. **The creation of an underclass problem.** Given the character of globalization and the relative porousness of national boundaries and the easy of labor mobility, and given that BI will create severe labor shortages for unpleasant work *among BI* recipients, it would seem that BI risks generating a massive alien underclass. (Elizabeth)

4. **Basic Income & the third world.** Is BI applicable to the Third World? (Chang, Eric) Is a global BI possible? (Eric)

5. **Unions & BI.** What is the relationship between BI & Unions: would BI undercut Unions? Are strong unions needed to institute BI? (Adam)

6. **Individual basis.** Why should a BI be given to *individuals* rather than *families*? Isn't this an “individualistic bias” and won't it contribute to divorce? (Change)

7. **Implications of the level of BI for decommodification.** Can any of the feasible levels of BI really make a serious dent on the commodification of labor? Will even a modestly generous BI create real exit options for very many people? (Cesar)

8. **Means tested vs universal programs.** Perhaps it would be better if BI gave more to disadvantaged people. If it is a program for equality than less should go to the rich, no? Hard to understand the logic of “giving to the rich is cheaper” (Zeynep, Chang)

II. STAKEHOLDER GRANTS

9. **Stakeholder Grants.** How can you deal with the “transition problem” – won't people just before it starts feel cheated? (Stuart)

10. **Stakeholder grants & Education.** Would stakeholder grants provoke an escalation of the amount of education required for the best jobs? And would it lead to rapid tuition increases to soak up the stakes? (Eric)

11. **SG vs BI: which is more freedom enhancing?** Perhaps SG is more freedom-enhancing since the large lump-sum payment it gives people choices. Is BI really more paternalistic? (Patrizia, Jay)

12. **SG vs BI: various culture effects.** A&A posit a range of psychological and cultural effects of SG which they feel are advantages over BI – it promotes long-term thinking; BI is demoralizing to would be entrepreneurs who cannot mortgage their BI; SG reinforces pride in citizenship and supports a cultural of freedom for all. Are these claims plausible? (Jay)

13. **SG vs BI: contexts for political feasibility.** What contexts would be most conducive to BI and to SG? One idea is the BI is most feasible a) in already generous welfare states, and b) in poor countries, while SG would be politically most feasible in liberal market economies like the US and UK. (Cesar)