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Which Way Forward for Economic Security: Basic Income or Public Services?

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Abstract: Economic insecurity is an endemic problem across the rich countries of the Global North. What is the solution? This paper compares and contrasts two major proposals: the conventional welfare state package of public services and regulations versus a basic income. By comparing and contrasting these systems in three different contexts – a "nightwatchman" context, a neoliberal context, and a social democratic context – and carefully modeling the monetary equivalence between them, we are able to provide a more precise and compelling comparison of the two systems than has yet been accomplished. We evaluate the two systems on the basis of economic security as well as a number of other important criteria, including the economic well-being of oppressed groups, power, carbon emissions, the gender division of labor, free time, social stigma, and transformative potential. We find that without a welfare state background, services and regulations are generally preferable for most vulnerable groups. However, as the welfare state develops, into a neoliberal or a social democratic context, basic income becomes a generally superior option.

Keywords: economic security, public services, basic income, justice, precariat

JEL Classifications: E61, J48

> "Asking about the pros and cons of Basic Income as such is rather like asking about the pros and cons of keeping a feline as a pet without distinguishing between a tiger and a tabby. Basic Income has very different characteristics at different levels" – Brian Barry (2013, p. 101)

The evils of economic insecurity are well-known. Insecure people suffer stress, anxiety, unhappiness, reduced confidence, and a diminished sense of control in their lives. Moreover, insecurity leads to a number of negative consequences: it reduces people's ability to take risks, diminishing the social benefits of risk-taking; it narrows people's horizons, making them more opportunistic and

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less altruistic; it makes people more vulnerable to domination and exploitation; and leads them to embrace authoritarianism (ILO, 2004; Jost, Glaser, Kruglanski, & Sulloway, 2003).

Insecurity is widespread across the rich countries of the Global North. In Spain, for instance, roughly half of the workforce is on temporary contracts (Standing, 2011, p. 35). In the US, millions lack reliable access to healthcare, childcare, pensions, or full-time hours. According to Schmitt and Jones (2012), only 25% of the country's jobs qualify as "good jobs," defined as those which are permanent, pay at least $37,000 per year ($18.50 per hour in constant 2010 dollars), provide employer-provided health insurance, and an employer-sponsored retirement plan. Even in continental European countries like Germany and Denmark, employment protections for temporary workers have decreased in recent years (Thelen, 2019). Across the OECD, one-in-eight employees are now on a temporary contract, and on average about half of the entire population says they are concerned with struggling to meet their expenses (OECD, 2019b, pp. 31, 12).[1]

What is the solution?

The conventional approach to enhancing economic security involves a mix of services – targeted means-tested ones and universalistic ones – and regulations. We will refer to this conventional welfare package as "Services" for ease of exposition, but the reader should keep in mind that what we mean by this is always "services and regulations." In recent years, however, basic income (BI) has become increasingly popular as an alternative to these more traditional welfare state configurations (Calnitsky, 2017, 2018; Pateman, 2006; Standing, 2017; Van Parijs, 1995; Van Parijs & Vanderborght, 2017). Services or BI: which path is better?

To start thinking about this clearly, it is important to clarify what constitutes a fair basis of each. It is all too common in both the academic and public debate for the comparisons to be misleading: comparing a generous welfare state with a meager basic income, for example, is clearly unfair.

Part of the reason this happens, we believe, is because analyses of basic income are often underspecified. What exactly is basic income? It is frequently defined in loose terms, as a grant of money given to all, unconditionally. Philippe Van Parijs defines it as follows: "By *universal basic income* I mean an income paid by a government, at a uniform level and at regular intervals, to each adult member of society. The grant is paid, and its level is fixed, irrespective of whether the person

1 Although there is widespread agreement that insecurity has worsened in many countries over the last several decades due to the spread of neoliberalism, the extent to which insecurity has worsened in the US is hotly debated (Auer & Cazes, 2000; Kalleberg, 2018; Thelen, 2019).

is rich or poor, lives alone or with others, is willing to work or not. In most versions – certainly in mine – it is granted not only to citizens, but to all permanent residents … [N]othing in the definition of UBI, as it is here understood, connects it to some notion of 'basic needs.' A UBI, as defined, can fall short of or exceed what is regarded as necessary to a decent existence" (Van Parijs, 2000).[2]

The virtue of this definition is simplicity – it is an unconditional cash grant. Yet it conceals as much as it reveals. As we see it, much of the contemporary literature on BI is characterized by two pervasive shortcomings:

1. Vagueness about the *size* of the grant; and
2. Vagueness about its *background conditions*.[3]

These shortcomings lead to discussion on the philosophical merits of BI which are severely misleading. In terms of the size of grant, the problem is that a BI of $1000 per year is vastly different from one of $30,000.[4] The two options would have completely different impacts in terms of labor force participation, the freedom to quit one's job, and the ability to meet basic needs. Call this the problem of "normative sensitivity to scale."

The differences are so profound that they are essentially different proposals. Calling them both "BI" and then going on to evaluate questions of reciprocity, security, empowerment, and so forth is meaningless. It makes little sense to ask, as much of the literature routinely does, whether BI *per se* is "just" or would provide "freedom" or is "good for women." Abstract of specificity regarding amounts, such statements are largely vacuous.

The second problem of vagueness is even more important. The problem is that discussions of BI are often vague about what they understand to be the background

2 This definition gives BI to adults only. That would be deeply problematic from a gender perspective, as women have disproportionate childcare responsibilities and therefore face disproportionate costs (we discuss this below). However, many advocates recommend a reduced BI for children as well, which, if sufficiently generous, would ameliorate the problem here.

3 For instance, these problems undermine the validity of many of the papers that make up the otherwise excellent compilations of Ackerman, Alsott, and Van Parijs (2006) and Widerquist, Noguera, Vanderborght, and Wispelaere (2013). Notable exceptions include Bergman (2006) and Barry (2013).

4 There is a wide range in the amounts discussed. For instance, Torry (2014) discusses a BI of £2080 per adult per year; Browne and Immervoll (2017) analyze one at £2700. Reed and Lansley (2016) consider a model at £3692. A recent OECD (2017) paper estimates a BI at €5472. Adults in Clark's (2013) discussion receive $9359; in Widerquist (2017) $12,000; in Van Parijs and Vanderborght (2017) $13,956; in the BI Proposal for Ontario, CAD$16,989 (PBO, 2018); Schutz (1996) uses the figure of $30,000; and in Major (2016) $26,830 for adults (and a whopping $63,741 for every two-parent, two-child family). Problematically, many authors discuss the merits and demerits of BI without stipulating *any* specific amount whatsoever.

conditions against which it is introduced. Do basic income proponents support the proposal in the context of budget neutrality? Is their advocacy meant to kick in only after some pre-set level of spending on other services? The background context matters (Haagh, 2019). A proposal for a stand-alone BI that *replaces services*, is qualitatively different from a proposal for a BI *against a background of substantial services*. For instance, Friedman's (2013) version of a BI that dismantles much of the welfare state and Van Parijs and Vanderborght's (2017) version, which supplements a robust welfare state, will produce fundamentally different outcomes in people's lives. Calling both of these proposals "BI" *simpliciter* is deceptive and inaccurate. For a BI proposal to be meaningful, therefore, it must stipulate its background conditions.

This vagueness is particularly problematic when one asks the question that we are concerned with here: Is BI or Services better for economic security?

BI advocates argue that BI is superior, but when one scrutinizes the details of such proposals, they invariably turn out to be proposals for a BI against a backdrop of (often extensive) Services. Thus, progressives advocating for "BI" are rarely advocating for BI *tout court*. What they actually want is a *hybrid* of BI *and* Services. In other words, there is a gap between the rhetoric of calls for a BI pure-and-simple, and the more complicated hybrid system that most advocates implicitly champion.

If the choice entailed no costs, this would be no problem. But even by themselves, BI and Services can be very expensive. So it is likely that many polities will not be able to afford both. And even if both are ultimately affordable, every polity will want to know which to prioritize. As such, the question becomes: Where do we go from here?

The germane question is not "should we have a small BI with minimal US-style background services *or* a generous BI with extensive Sweden-style background?" That is about as fair as asking whether you would prefer a small salary and a small house or a large salary and a large house. Instead, in the real world, the question is always: given some fixed amount of available money, what is the best – the most emancipatory and efficient – way to spend it? BI, Services, or some mix thereof?

This paper aims to provide a more precise and compelling comparison of BI and Services than has yet been done. In order to avoid the problem of vagueness vis-à-vis size, and vis-à-vis background conditions, we approach the issue by way of a three-step comparison:

– *The Nightwatchman Context*: Here we assume the background to be one of essentially no public services or market regulations. Against this background we imagine spending several percentage points of GDP on a "stand-alone BI" compared to spending the equivalent amount on a system of basic public services and regulations ("Services").

- *The Neoliberal Context*: Here we assume the background to be one of minimal neoliberal public services. Against this background we imagine spending several points of GDP on BI compared to spending the equivalent amount on services.
- *The Social Democratic Context*: Here we assume the background to be one of robust social democratic services. Against this background we imagine spending several points of GDP on BI compared to spending the equivalent amount on enhanced services.

Though there are many comparisons we could have made, studying these three ideal types is useful because it provides significant analytical clarity. Our methodological approach in each case is to fix the amount of money we have to allocate, and spend it equally on both systems. For simplicity, we keep the basic income the same size in each case. Our procedure is to use descriptive statistics to compare the impact of that cash to the equivalent cash value of services, for a range of subgroups which are normatively important. While we make qualitative comparisons throughout, the results of our strict numeric comparisons are non-obvious. We should expect different distributional impacts of the two programs given that (1) the size of the recipient pool for each service varies; (2) the size of the benefit going to different groups varies; and (3) administrative costs make for non-trivial differences.

A general finding of this paper is that without a welfare state background – that is, in the barebones nightwatchman state context – BI is an undesirable choice for most vulnerable groups. However, as the welfare state develops, into a neoliberal or a social democratic context, BI becomes significantly more attractive.

Finally, it is worth noting that while security is our main focus, we aim to be sensitive to a number of issues of concern to progressives: the economic well-being of oppressed groups; power; carbon emissions; the gender division of labor; free time; social stigma; and transformative potential.

How do our findings compare to the two existing studies which explicitly compare BI and welfare services (Hoynes & Rothstein, 2019; OECD, 2017)? Both of these articles examine what would happen if a *currently* existing neoliberal state were to cut most of its services, and then use those savings to implement a small BI. They find, unsurprisingly, that a BI at these low levels would tend to leave many poor people, particularly those with disabilities or special needs, worse off. So their analysis takes place at a level which corresponds to somewhere in between what we are calling the "nightwatchman case" and the "neoliberal case." The problem with these studies is that their comparison focuses on a particularly unattractive version of BI, and thereby somewhat rigs the deck. The implicit conclusion of both studies is that BI in general is undesirable, but that does not follow. Just because a

particularly austere version of BI turns out to be unattractive does not mean that other versions of it would be too.

Our approach is different. Instead of assuming that budgets are indefinitely frozen and therefore that a BI could only ever exist by reducing service spending, this paper looks *forward* to ask what would happen if new funds were to become available to actually enhance economic security – would it then be preferable to spend the new funds on BI or welfare services? What we find is that at low levels of welfare state development, our evaluation aligns with these studies: a service regime is generally superior to a BI, particularly for people with special needs. However, the gap in these articles is that neither of them examines how the analysis changes as welfare states develop. This is precisely what we do here. Indeed, since most advocates of BI (and *all* progressive ones), envision it as a step forward in terms of economic security, not as a step back, the assumption of frozen budgets baked into these existing studies does not accurately reflect the most compelling versions of the proposal. Our study is thus more comprehensive, as well as more accurate (in terms of reflecting the real proposal, at least insofar as progressives typically understand it).

1 The Basic Contrast

Although BI is frequently defined as simply giving people money, that is not quite accurate. It actually involves two simultaneous processes: giving money and taxing some of it back. For a conventional universal basic income, the process is that everyone receives the same amount of money (e.g. $16,000), but then depending on your income different people pay different tax rates. Affluent people will typically end up paying back more than they receive, so in effect the BI goes only to the lower end of the income spectrum.[5] The end result is equivalent to a Negative Income Tax (NIT). Here instead of giving money and taking some back,

5 Although our focus is on the impact of different types of spending decisions (comparing BI to Services), it is also important to recognize that the way that these programs are financed will also have important distributional consequences. An implicit assumption made in our exercise is that the spending programs we describe are funded by taxes collected entirely from relatively high income people receiving no benefits; even if this is not the optimal strategy, it is one where the distributional consequences will be exactly as we lay out. Clearly, such programs could be financed in many different ways, via taxes that are regressive and fall on the poor, or taxes that are progressive and fall on the rich, or myriad different combinations (see Kenworthy, 2014, for various approaches to raising funds for expensive programs, and Sheahen, 2012, for basic income funding strategies). However, since calculating the impact of such different policies would take us too far afield, we must bracket this issue here.

the NIT transfers income only to those who would be net recipients in a UBI model. Although there are administrative differences, the distributional impact is identical (Groot, 2004; Van Parijs & Vanderborght, 2017). We discuss a NIT in this paper for ease of presentation, where those below a certain income threshold receive money from the government instead of paying to it.

For instance, a simple model of a NIT at $16,000 with a tax rate of 50%, would mean that an individual's BI payment would take the following structure:

Table 1: The structure of the basic income guarantee.

Market incomes	Basic income payment	Post-transfer income	Percent of positive taxes rebated
$0	$16,000	$16,000	100%
$8000	$12,000	$20,000	100%
$16,000	$8000	$24,000	100%
$24,000	$4000	$28,000	100%
$32,000	$0	$32,000	100%

With a guarantee (G) of $16,000, a tax-back rate (t) of 50%, and market income (M), the basic income payment (P) is determined with the formula. $P = G - t*M$.

Since discussions of BI frequently do not specify amounts, it is easy to leave readers with only a vague and amorphous sense of who is getting what exactly. That is unfortunate because the numbers here are truly illuminating. Table 2 shows the cost, impacted population size, and average payment amount of those receiving a BI, at three possible guarantee levels, including the mid-level plan used in this paper.

The main takeaway is that the effects of BI on the population are thin and broad. In terms of a BI set to $16,000 (the middle row), we see that huge numbers of

Table 2: Cost and impact of three BI plans.

	Adult BI	Child BI	Impacted population	Cost	Percent of GDP	Average payment to recipient
Low-level plan	$12,000	$6000	129 million (40.2%)	$535 billion	2.95%	$4100
Mid-level plan (used in this paper)	**$16,000**	**$8000**	**172 million (53.6%)**	**$1087 billion**	**6.00%**	**$6300**
High-level plan	$20,000	$10,000	215 million (67.0%)	$1804 billion	9.96%	$8400

We use total 2015 population of 321 million and total 2015 GDP of $1812 billion. Low and high-level plans from Widerquist (2017), mid-level plan from our calculations shown in bold.

people would receive it – over half the population, though most would receive quite a small amount ($6300 on average).[6] So a BI is targeted broadly to the poor in a pyramid-like fashion, where most funds are directed towards the bottom, and less and less provided the more we move up the income scale. Welfare services, on the other hand, are often targeted narrowly. For instance, welfare payments and disability payments in Ontario go to only 2.89 and 3.44% of the population respectively – a fraction of those who would receive a BI. This narrow targeting is what allows the average payments to be more generous.[7] These facts allow us to appreciate an important difference between the functioning of the two policy mechanisms: generally speaking, services tend to be targeted *narrowly-and-deeply* whereas BI is targeted *broadly-and-shallowly*. If BI is a shallow reservoir, services are a well. Or, to change metaphors, if BI gives everyone a windbreaker, services give some people parkas and others nothing.

The reason we identify BI as shallow is because people on average receive *less than half* the headline number of the BI that is conventionally talked about. When one discusses a "BI at $16,000," it is often, wrongly, assumed that this means that everyone receives $16,000. In fact, about half the population receive nothing, and of the half that do receive something, they receive on average a payment of $6000 – and that is true regardless of whether the BI is structured as a NIT or a universal-payment-then-tax-back system. The end result is that even very expensive programs like this one – costing in the US case over a trillion dollars, and 6% of GDP – end up providing relatively small amounts of money to people, because the money is spread so widely (in this case to over 53% of the population, 172 million people). On the other hand, welfare services tend to actually have the as-advertised depth (at least in most OECD countries); if welfare is set at some amount similar to the BI, people in fact receive that headline number on average, making it deeper and narrower.

2 Configuration 1: The Nightwatchman Context

For our first contrast, let us imagine a market system with essentially no public services or protective market regulations (such as Victorian England, pre-New

6 Since children have zero income, by assumption, they all receive the same basic income, and the baseline guarantee will equal the average payment.

7 Of course, this is not always the case since some services, like public transit or housing benefits, may well be used by large swathes of the population. Indeed, universal healthcare models often entail many people receiving few services and a few people receiving many.

Deal USA, or a contemporary very poor country). Some libertarian theorists, as well as Silicon Valley entrepreneurs, advocate movement in this direction – aiming to replace existing welfare state services and what they view as cumbersome regulations with a largely unregulated market, but one in which everyone is guaranteed at least some cash (e.g. Friedman, 2013; Murray, 2006; see also Sadowski, 2016). Such a society would have very few public services – no public housing, public transit, welfare or disability payments, no employment services, no integration services for immigrants, and so on. Likewise, there would be very few regulations – no state-mandated Employment Insurance or pension scheme, no system of disability accommodation, no health and safety regulations, no anti-discrimination law, no environmental regulations, no legal framework for forming unions, etc. In such a system, practically everything would be left to private bilateral bargaining between employers and employees – not just for wages, but also for benefits, workplace conditions, and many other kinds of risks and rewards.

Against this background, consider two possible reform paths. On the one side we envision a conventional welfare package of services and regulations. We assume the services are those of welfare benefits, disability benefits, pension benefits, transit benefits, housing benefits, disability accommodation benefits, racial justice benefits, and childcare subsidies. The regulations are those of a system of state-mandated pension contributions (like Social Security in the US), health and safety regulations, anti-discrimination law (including disability accommodation and rights to take unpaid maternity leave), a legal framework for collective bargaining, and environmental regulations.

On the other side, we compare this with a Basic Income of $16,000 for adults, and $8000 for children.

The following table, Table 3, demonstrates one possible breakdown of the numbers. Whereas the cost of BI is straightforward, the costs for Services could be divided up in infinite possible ways. Our rule of thumb, here and throughout the paper, has been to try to devise spending for services in a way that makes this option as attractive as possible, so that the comparison is as fair as possible and we cannot be accused of fudging the numbers to make BI appear artificially superior (We have been aided in this by the fact that one of the authors is more sympathetic to Services, the other to BI, which has helped to provide a useful check on bias one way or the other). That said, while we have tried to be careful and accurate with the numbers, there is no claim here that they are exactly precise – the real economy is far too complex for that. So while it is always possible to nitpick any of the specific

figures, more important than any particular calculation is the general pattern that emerges from the tables.[8]

With the starting point of $16,000 for adults and $8000 for children (operating as a negative income tax with a back tax rate of 50%), our BI costs 6% of GDP.[9] Adding in 1% of those expenditures for administrative costs brings us to 6.06% of GDP.[10]

Next we take that equivalent amount of spending, 6.06% of GDP, and direct it to services as follows: Welfare payment (0.56% of GDP)[11] + Disability payment (0.66% GDP)[12] + Pension supplement (0.79% of

8 In terms of the data used in our calculations, the costs of BI are from Widerquist, 2017, which draws on statistical information from the American context. It would be ideal to compare such data with the costs of Services from similar US sources. Unfortunately, this is very difficult to do given the patchwork and limited nature of the American welfare system. For example, the US does not possess a single federal "welfare" program to speak of. Food stamp benefits are the largest safety net (serving 48 million people), whereas there are only three million recipients of TANF. Additionally, many lower income people receive some amount of EITC (as well as other programs) (Hoynes & Schanzenbach, 2012). Likewise, the disability system is a complicated mix of SSI and SSDI. Furthermore, many American programs differ quite dramatically state to state. In other words, since many of the services that we wish to consider simply do not exist in the US (or exist only in a fragmented way), it is much clearer and cleaner to rely on other data from advanced market economies where the services are more developed. Hence, for disability and welfare payments we rely on Ontario data (with its more straightforward programs), and for other services we rely on OECD data. See the following footnotes for specific data sources.

9 Widerquist, 2017 provides figures for a BI of $12,000 per adult and $6000 per child, for a cost of 2.95% of GDP. Extrapolating from his data, we estimate that a BI for these amounts would cost 6% of GDP.

10 Widerquist, 2017 assumes that the cost of administering a BI is similar to that of administering Social Security (i.e. 0.7% of total cost) because they are both relatively simply programs. This is an optimistic estimate, as it is the lowest that such spending has been for years (SSA.gov, 2019). Here we take a slightly more cautious estimate of 1%.

11 We set welfare payments at slightly lower than the BI, so $13,000 per adult and $6500 per child. How many recipients are there? In Ontario in 2017, 2.89% of the population was beneficiaries of welfare (Gov.ON, 2018; Statcan, 2018a). Based on the existing ratio of children-to-adults in the population (children represent 22.45% of the population) (Statcan, 2019a) and applying this to the US population in 2017 of 326 million (USCensus, 2019), yields an estimate of 7.3 million adult and 2.1 million child beneficiaries. This sums to a cost of $109 billion. Based on the US GDP in 2017 of 19.485 trillion (OECD, 2019a) this represents 0.56% of GDP.

12 We set disability payments to be the same as welfare payments, so $13,000 per adult and $6500 per child. To calculate the cost, we use the Ontario figures that 3.44% of the population was beneficiaries (489,000 out of a population of 14,190,000 people in 2017) (Gov.ON, 2017; Statcan, 2018a). Applying this to the US population (326 million) with the same adult-child ratio as above (kids are 22.45% of the population) yields an estimate of 8.69 million adult and 2.52 million child beneficiaries. This sums to a total cost of $129 billion, or 0.66% of GDP.

Table 3: Pure BI (no services or regulations) versus services (housing and transit benefits distributed broadly).

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
Homeless	N/A	N/A	0.00	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(11) = **16.0**	1.00	$0 W/regs services wins Group size: tiny
Single mother, full-time, min-wage, young child	20.8(I) + 13.6(BI) = **34.4** – r(WI) – r(WDE) – r(MU) – r(EN)	20.8(I) + 12.1(CcS) + 1.5(T) + 1.5(H) = **35.9**	0.69	**24.0**(BI) – r(MU) – r(EN)	19.5(W) + 12.1(CcS) + 1.5(T) + 1.5(H) = **34.6**	0.31	–$4.3 Services wins Group size: small
Single mother, full-time, min-wage, child in school	20.8(I) + 13.6(BI) = **34.4** – r(WI) – r(WDE) – r(EN)	20.8(I) + 1.5(T) + 1.5(H) = **23.8**	0.75	**24.0**(BI) – r(EN)	19.5(W) + 1.5(T) + 1.5(H) = **22.5**	0.25	$8.3 B1 wins Group size: medium
Single person, full-time, min-wage	20.8(I) + 5.6(BI) = **26.4** – r(WI) – r(WDE) – r(EN)	20.8(I) + I.5(T) + 1.5(H) = **23.8**	0.85	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.15	$2.2 BI wins quantiatively w/regs services win group size: large
Single person, PT, min-wage	15.6(I) + 8.2(BI) = **23.8** – r(WI) – r(WDE) – r(EN)	15.6(I) + 1.5(T) + 1.5(H) = **18.6**	0.70	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.30	$3.6 BI wins quantiatively w/regs services win Group size: medium
Person with a disability, low-income	20.8(I) + 5.6(BI) = **26.4** – r(WI) – r(WDE) – r(MU) – r(EN)	20.8(I) + 4.3(DA) + 1.5(T) + 1.5(H) = **28.1**	0.33	**16.0**(BI) – r(MU) – r(EN)	13(D) + 1.5(T) + 1.5(H) + 4.3(DA) = **20.3**	0.66	–$3.4 Services wins Group size: small
Black, Indigenous, or Person of Color, FT, working-class	31.2(I) + 0.4(BI) = **31.6** – r(WI) – r(WDE) – KEN)	31.2(I) + 1.5(T) + 1.5(H) + 4.0(R) = **38.2**	0.91	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) + 4.0 (R) = **20.0**	0.09	–S6.4 Services wins Group size: medium
Black, Indigenous, or Person of Color, PT. min-wagc	15.6(I) + 8.2(BI) = **23.8** – r(WI) – r(WDE) – r(EN)	15.6(I) + 1.5(T) + 1.5(H) + 4.0(R) = **22.6**	0.85	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) + 4.0 (R) = **20.0**	0.15	$0.4 W/regs services win Group size: medium

Table 3: (continued)

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
White, FT, working-class	31.2(I) + 0.4(BI) = **31.6** – r(WI) – r(WDE) – r(EN)	31.2(I) + 1.5(T) + 1.5(H) = **34.2**	0.93	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.07	–S2.4 Serv ices wins Group size: large
White, PT, working-class	23.4(I) + 4.3(BI) = **27.7** – r(WI) – r(WDE) – r(EN)	23.4(I) + 1.5(T) + 1.5(H) = **26.4**	0.90	**16.0**(BI) – r(EN)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.10	$1.2 BI wins quantiatively w/regs services win Group size: medium
Working class two parent family, two school age kids	31.2(I) + 0.4(BI) + 8.0(BI))*2 = **79.2** – r(WI) – r(WDE)	(31.2(I) + 1.5(T) + 1.5(H))*2 = **68.4**	0.93	(16.0(BI))*2 + 16.0(BI) – r(EN) = **48.0**	(13(W) + 1.5(T) + 1.5(H)) *2 = **32.0**	0.07	$11.2 BI wins Group size: large
Elderly low-income	N/A	N/A	0.00	**16.0**(BI) – r(EN)	13(P) + 1.5(T) + 1.5(H) = **16.0**	1.00	$0.0 W/regs services wins Group size: medium

Starting from a Nightwatchman baseline, we investigate two pathways for increasing economic security. The first pathway is a Pure BI (without services or regulations). The total cost of the Pure BI is 6.06% of GDP. The second pathway is a Services regime composed of Welfare spending (W) at 0.56% of GDP, Disability spending (D) at 0.66% of GDP, Pension supplement (P) at 0.79% of GDP, Disability Accommodation (DA) at 0.25% of GDP, Housing benefit (H) at 1% of GDP, Transit benefit (T) at 1% of GDP, Racial Justice benefit (R) at 0.52% of GDP, Childcare Subsidy (CcS) at 1.25% of GDP, plus regulations at 0.046% of GDP, plus administration costs often percent, yielding a total of 6.07% of GDP. I, Income; r(WI), risk of workplace injury; r(WDE), risk of workplace discrimination or exploitation; r(MU), risk of marginalization from unemployment; r(EN), environmental risk. See footnotes 24 and 25 for population and employment probability figures. BI determined with a 50% tax rate, as displayed in Table 1. In our evaluations we identify surpluses at $1000 (all in USD) or less, one way or the other, as a "tie." However, because of the qualitative value that might be assigned to regulations, when the BI surplus is less than $5000, we note that it wins quantitatively, but that with regulations, services likely win. The bold values are the result of the calculation.

GDP)[13] + Racial justice benefit (0.52% of GDP)[14] + Childcare Subsidy (1.25% of GDP)[15] + Housing benefit (1% of GDP)[16] + Transit benefit (1% of GDP)[17] + Disability accommodation benefit (0.25% of GDP).[18] We then add in

13 We set pension supplements at the same level as welfare, i.e. $13,000 per person. To calculate the cost, we assume very roughly that the supplement goes to the poorest one-quarter of the elderly (+65) population of 47,000,000 (USCensus, 2019). That represents a cost of $153 billion or 0.79% of GDP.

14 Racial justice spending here refers to supports for Black, Indigenous, and People of Color. In Canada, the federal government spends $4 billion per year on support for Indigenous people, and $1.3 billion on support for recent immigrants (PBO, 2017, p. 13). One example is the "Supplementary Health Benefits for First Nations and Inuit" program (PBO, 2017, p. 29). Given the Canadian GDP in 2017 was $2.137 trillion (OECD, 2019a), this represents 0.26% of spending on what we are very loosely calling "racial justice." Here we take a figure of twice this amount – 0.52% of GDP – and assume that it goes to 10% of the American adult (20+) population, i.e. 25,300,000 people. This yields a benefit of $4000 per person. We ignore any potential economies of scale of these calculations.

15 Jerome de Henau estimates that full-time universal childcare of 40 h/week (taking into account tax adjustments of increased employment) would cost between £14.4 billion to £27.9 billion, depending on whether the care workers are paid at a living wage or teacher wage (2015, p. 10). Given the UK GDP in 2015 of £1.895 trillion (OECD, 2019a), this represents a cost of 0.76–1.47% of GDP. Here we arbitrarily assume an amount of 1.25% of GDP. We assume (unrealistically) that this is simply paid out as a cash benefit to the parents or guardians of the 20,097,423 children aged 0–4 (OECD, 2012). This yields a benefit of $12,100 per person.

16 According to Del Pero, Adema, Ferraro, and Frey (2016), spending on housing supports (including social rental housing and housing allowances, ignoring support for home ownership) ranges, roughly, between 0.5 and 1.5% of GDP in the OECD. Here we take a figure of 1%. In reality, much of this spending would be on bulk fixed capital not cash, but to get a rough estimate of its value to people, we simply take its cash value by dividing the cost by the number of people getting it (which we assume to be targeted *relatively broadly to 50% of the adult (20+) population*, i.e. 126, 500,000 people. This yields a benefit of $1500 per person per year.

17 The OECD defines transport infrastructure investment as "spending on new transport construction and the improvement of the existing network …. Inland infrastructure includes road, rail, inland waterways, maritime ports and airports and takes account of all sources of financing." In 2017, the inland total costs of this spending for most OECD countries were between 0.5 and 1.5% of GDP (OECD, 2020). Here we take the figure of 1%. In reality, much of this spending would be on infrastructure not cash, but to get a rough estimate of its value to people, we simply take its cash value by dividing the cost by the number of people getting it (which we assume to be targeted *relatively broadly to 50% of the adult (20+) population*, i.e. 126,500,000 people), which comes to $1500 per person per year.

18 Disability accommodation refers to spending that enhances the abilities of persons with a disability to participate in the public sphere – ramps, elevators, curb cuts, accessible washrooms, wheelchairs, accessible buses, personal specialized vehicles, etc. We set this at a quarter of the cost of the OECD transit budget (which is roughly 1%) (OECD, 2020), so 0.25%. Much of this spending would be on infrastructure not cash, but to get a rough estimate of its value to people, we simply take its cash value by dividing the cost by the number of people getting it (11,210,000 or

much smaller costs of regulations as follows: State-mandated pension contributions (0.034% of GDP)[19] + Health and safety regulations (0.027% of GDP)[20] + Anti-discrimination law (0.002% of GDP)[21] + Legal framework for collective bargaining (0.003% of GDP)[22] + Environmental regulations (0.04% of GDP)[23] – Savings from these regulations (0.06% of GDP).[24] All together, this sums to 5.52% of GDP. Adding in administrative costs of 10%,[25] we reach 6.07% of GDP.

To understand how our services calculations work, take the housing benefit, at 1% of GDP, as an example. Here we target the benefit broadly to 50% of the US adult population, which comes to 126,500,000 people. As shown in Table 3, dividing our spending by this population yields a benefit with a cash value of

3.44% of the population, the same proportion as those receiving disability welfare payments), which comes to $4300 per person per year.

19 Social security in the US cost $6,457,000,000 to administer in 2017 (SSA.gov, 2019). That represents 0.033% of GDP.

20 In Ontario, the Occupational Health and Safety Program is in charge of "setting, communicating and enforcing of the occupational health and safety legislation and regulations, and coordinating Ontario's workplace injury and illness prevention system to reduce or eliminate workplace injury or illness." In 2017 it cost CAD$219,594,870 out of a GDP of CAD$825,805,000,000, i.e. 0.027% (Gov.ON, 2019b).

21 In the US, the Equal Employment Opportunity Commission (EEOC) is "responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information." Its budget in 2017 was $364,500,000, i.e. 0.002% of GDP (EEOC, 2018).

22 In Ontario, the Labour Relations Program aims to "promote a stable labour relations climate and harmonious workplace relationships in the province. This is achieved through collective agreement conciliation and mediation, appointment of arbitrators, modernized collective bargaining information services, relationship building and training." Its budget in 2017 was CAD$23,672,537 out of a GDP of CAD$825,805,000,000, i.e. 0.003% (Gov.ON, 2019a).

23 In the US, the Environmental Protection Agency has responsibility for maintaining and enforcing national environmental standards. In 2017 its budget was $8,058,488,000, i.e. 0.04% of GDP (EPA, 2019).

24 Although implementing regulations typically involves costs – such as monitoring and enforcement – they may also provide savings. In particular, anti-discrimination law makes it easier for women, racialized people, and disabled people to secure employment, thus paying higher taxes. Similarly, there are likely to be savings from health and safety regulations, which likewise facilitate employment. To take an extremely rough estimate, if such regulations increase the labor force (160 million people) by 2%, earning the median personal income ($31,000), and then paying taxes (at 12%), this works out to increased tax revenues of $11.9 billion, or 0.06% of GDP.

25 According to Lindert (2005), TANF costs 10% to administer. Lindert lists a number of other welfare programs that have administrative costs at a similar level. We thus take 10% as a rough estimate for the cost of administering means-tested programs.

$1500 per person per year. In this table we do this for each benefit on the services side and add it to market income, where present, for different groups living in different circumstances. We follow the same procedure on the basic income side to obtain group-by-group post-transfer incomes.

To make the comparisons shown below we have to consider market incomes at different levels. These are determined, for all three comparison tables, as follows: we set a full-time minimum wage to $20,800 ($10/h); a part-time minimum wage to $15,600; a full-time working-class income to $31,200 ($15/h); and a part-time working-class income to $23,400.

As noted, our table considers the impact of this comparison on selected groups. This is, of course, not a comprehensive list of all possible social subgroups, rather it is those that are particularly salient due to their size in the population or because they are of particular normative concern. Columns 4 and 7 show a probability of employment and unemployment; we analyze the impact of the two reform paths based on the assumption that people will continue to earn market income in patterns like those observed today.

Finally, our last column, Column 8, determines whether BI or Services is better, all things considered, for each group. This is done by, first, calculating the difference in benefits received by an employed person in the Basic Income scenario from the Services scenario, multiplied by the proportion of such people who are employed. The process is then repeated for the unemployed. And then the two cases are added together. If the final surplus number is positive, this means that BI is preferable; if negative, Services are preferable.

All figures are in thousands of US dollars, and all calculations are available in an online spreadsheet. Again, the figures cited here should not be taken as indisputable, as they are based on a number of assumptions, albeit ones we believe to be well founded. They are simply meant to be illustrative of the general contrast between different spending patterns.

The results are quite clear: in this context, most people would fare worse with a stand-alone BI.

The homeless would likely do better under a Services regime due to facing fewer environmental risks (such as air and water pollution). More generally, it is important to recognize that services provide benefits to homeless people than cash by itself cannot. BI would of course provide homeless people with much needed cash. However, BI is less useful for providing the other things that such people typically require – such as housing and living supports (for the disabled or mentally ill), social workers and therapists (for support coping with past trauma), as well as addiction supports (such as safe injection sites, methadone clinics, etc.) Any system of BI is likely to be inadequate here because these are not things that the homeless can readily purchase on the market (unregulated markets would be

unlikely to have for-profit methadone clinics, for instance); and even if such things were available to purchase, it is doubtful whether homeless people would be consistently good judges of their needs in these regards (on the one hand there are issues of cognitive difficulties stemming from mental health and addiction; on the other hand, there are stark asymmetries of information in that professional healthcare providers will by their very nature possess specialist knowledge about what is needed). For all of these reasons there are important advantages to public provision of services and supports – as opposed to leaving private individuals to attempt to purchase them on the market – above and beyond the amount of dollars in people's pockets.

Both single mothers with young children and disabled people are likely to do better under a Services regime. Not only are they financially better-off, they suffer fewer risks of workplace injury, workplace discrimination and exploitation, and environmental risks. It is important to recognize the essential nature of anti-discrimination regulations for such people. In particular, rights to maternity leave (even unpaid), and basic accommodation for disabled people, are vital for such people to be able to acquire and maintain employment (Eurofound, 2007). Under a Stand-Alone BI, these people would face significant barriers to employment and would thereby risk serious societal marginalization.

Much the same can be said for Black, Indigenous, and People of Color. Full-time workers would do significantly better financially, and both full- and part-time workers would face fewer risks under a Services regime. Anti-discrimination policy here is vital for mitigating not just the economic harms of reduced access to employment, but also the cultural harms of disrespect and stigmatization that flow from a society allowing (and thereby implicitly condoning) outright discrimination.[26] Indeed, the creation of the Equal Employment Opportunity Commission was a major victory of the American Civil Rights movement. In addition, since BIPOC tend to face disproportionate environmental risks (Mikati, Benson, Luben, Sacks, & Richmond-Bryant, 2018) – sometimes called "environmental racism" – the presence of environmental regulations within the Services regime is a significant advantage.

The bulk of White workers – part-time or full-time – are also likely to do better under a Services regime. The strict financial impact here is similar between the contrasting regimes but the regulatory impact is decisive. In particular, since full-time, White, working-class workers constitute such a large group in society, their ability to unionize is vital, not just in terms of reducing their own exploitation and mistreatment, but in terms of forming the backbone of a large progressive bloc

26 For such reasons, LGBTQ people would also tend to fare better under a Services regime than a Stand-Alone BI.

that can act as a counterweight to corporate interests and push society as a whole towards progressive reforms (Farber, Herbst, Kuziemko, & Naidu, 2018; Pontusson, 2005; Rosenfeld & Denice, 2019).

In terms of the elderly, the systems are equivalent financially. But there will likely be huge numbers of elderly people who will benefit from a mandated system of pension contributions. Behavioral psychologists have long informed us that most people are poor judges of what their well-being is likely to be years down the road (Kahneman, 2011). So many of us would be unlikely to save enough during our working lives to protect us from relative poverty in retirement. This is of course one of the major reasons for having mandatory retirement schemes – it protects people from normal psychological short-sightedness.

Consider also those who are injured or mistreated at work. A Stand-Alone BI regime would have no health and safety regulations, and so there would be a perennial risk for workers of getting injured or falling ill. For instance, there would be no laws prohibiting asbestos in buildings, or requiring workers to wear suitable protective gear when handling dangerous chemicals. The problem here is one of asymmetric information (Stiglitz, 2002). Workers cannot easily bargain with their employer for a healthy and safe workplace because they lack the information that the employer possesses (does the workplace have asbestos in the walls? How dangerous is the job?). This asymmetrical information puts them at perennial risk. Additionally, without rights to collectively bargain, workers will have to bargain individually, putting them in a much weaker position. This will invariably lead to significantly more problems of mistreatment and exploitation (We should again emphasize the importance of unions and unionization not just for workers' immediate benefit, but as a vital, if not *the* vital, backbone of progressive social movements to reform society). Considered together, this is likely to be a large number of people who would fare better under a Services regime.

Next, consider those harmed from pollution. A Stand-Alone BI would have very limited environmental regulations and so society would be rife with negative externalities. There would be continual risks of factories dumping toxins into the rivers, poisoning those downstream (e.g. Flint Michigan's water crisis), firms burning dirty coal (Muller, Mendelsohn, & Nordhaus, 2011), construction workers using asbestos in insulation or lead in pipes, or dangerous second-hand cigarette smoke in restaurants, bars, and offices.

Note too that whereas BI benefits mostly lower-income people, regulations impact everyone. Since anyone is liable to suffer workplace injury, mistreatment, or environmental harm, even those who are well-off would likely benefit more from a Services regime with guaranteed universal regulations.

Finally, consider the issue of transportation. The advantage of public services here is that there are significant economies of scale. For many individuals,

particularly poor and working-class ones, some small portion of their income may be insufficient to buy and operate a private car, but if paid as a tax by everyone it may be perfectly sufficient to pay for a public bus and subway system.[27] One other crucial advantage of Services is that collective provision allows for the achievement of vital public goods which private markets will fail to provide, such as environmental sustainability. Since a Services regime is able to plan collective consumption, it has the potential to be far more successful at protecting the environment, for instance by constructing green transportation systems (like fleets of busses or trains or bike lanes), as opposed to a BI which, by relying on the market, would not likely lead to changes in the underlying transportation infrastructure, and would therefore simply yield more private cars on already congested roads.

On the other side of the ledger, there are a few groups that might do better under a Stand-Alone BI: young families (whether with single mothers or two parents), and those working part-time (whether on minimum wage or working-class wage). The BI surplus enjoyed by those single mothers with school age children is among the largest on the table. However, even here it is hard to judge whether they really would do better under a Stand-Alone BI due to the risks of workplace injury, workplace discrimination and exploitation, and environmental risks. Since it is difficult to quantify these risks it is hard to know whether or not they outweigh the monetary benefits of a BI. The group with the largest BI surplus in this scenario is working class, two-parent families with two children. The surplus here comes from the fact that the childcare subsidy in the Services regime is directed only to those families with young children, whereas families with children of any ages receive the additional child BI benefits.

Now, it might be objected that we should instead have compared BI with regulations to Services with regulations. Regulations in Table 3 after all cost relatively little, and two identically-costed regimes would be easy enough to construct. This would of course make the trade-off between the two options narrower. Nonetheless, the comparison discussed above better reflects (1) the proposals on offer from the BI purists on the one hand, and (2) the actual experience of developing services regimes in social democracies. Notice further that in our comparison while regulations do a lot of work, even in the strict numeric

27 A similar argument may well apply to the case of housing. The details are complicated here, but the experience of the OECD countries does seem to indicate that private markets (with no rent controls or subsidized housing) will fail to provide decent housing for the poor (Gowan & Cooper, 2018). So it is entirely plausible that a small percentage tax would provide better and more extensive housing for the poor than what individuals could acquire by spending the same percentage of their income in the private housing market.

comparison Services still win out in many cases. So including this comparison adds little to the analysis.

In sum, more people, as well as more of the particularly disadvantaged, would benefit from a Services regime than a Stand-Alone BI. An important benefit of a BI is that cash provides individuals with personal choice and bargaining power. In this case, however, such benefits are outweighed by the multiple harms arising from the operation of an unregulated market system. Unregulated markets fail in myriad ways (Wright & Rogers, 2011). As we have seen, market transactions can be guided by prejudice, harming racial minorities, women, and the disabled. Unregulated market systems create significant negative externalities and fail to provide important public goods. Likewise, transactions in situations of asymmetric information are also dangerous and risky. Indeed, in general we can see that a Stand-Alone BI is a significantly riskier system because the flip side of increased choice in this case is enhanced risk. Unregulated market systems act to privatize risk (or, differently put, the advantage of public regulation is that it diminishes individual risk, particularly catastrophic risk, by socializing it via the creation of a safety net below which none are able to fall). In addition, unregulated market systems rely on personal choices which may be "irrational" (either due to mental illness or difficulties in making very long-term decisions). Finally, individual transactions may make less sense or be less efficient than collective ones (which can benefit from economies of scale). For all of these reasons, by itself cash is an insufficient currency of justice.

We conclude that in the Nightwatchman Context, a Stand-Alone BI is less appealing than an equivalently priced Services regime. This means that progressive advocates ought not profess unconditional support for an unconditional basic income; if they do champion BI, we believe their support should exclude circumstances such as these. In the scenario described above, in addition to cash, justice requires services and regulations guided by a sense of the common good and concern for the worst off.

3 Configuration 2: The Neoliberal Context

Let us turn now to a more realistic scenario – the neoliberal context typified by the Anglo-American countries. The comparison here is between a Hybrid-BI (hybrid because it involves a BI against a background of basic regulations as well as basic public services) versus enhanced Services (where housing and transit benefits are targeted broadly) sitting atop a similar background context.

Again, we begin the exercise with a BI of $16,000 for adults and $8000 for children. As above, that costs 6.06% of GDP. In this neoliberal context we already

have a handful of income transfers that can be replaced. As such, we assume the BI replaces welfare, disability, and pension supplements. Subtracting those program costs, taken from Table 3, our Hybrid-BI system now costs 3.85% of GDP: BI (6.06%) – Welfare payment (0.56%) – Disability payment (0.66%) – Pension supplement (0.79%) – administrative costs of those programs (0.2%).

Following the procedure above we take that equivalent amount of spending and direct it to services as follows: Racial justice benefit (0.26% of GDP)[28] + Childcare Subsidy (0.76% of GDP)[29] + Housing benefit (1% of GDP)[30] + Transit benefit (1% of GDP)[31] + Disability accommodation benefit (0.5% of GDP).[32] Adding in a 10% administrative cost we reach 3.87% of GDP.

Our table considers the impact on the same selected groups, when employed and unemployed, and similarly calculates surpluses to determine which regime provides greater benefits.

In this context the most important result is that a BI is better for the bulk of low-income, employed people, which means that BI is preferable for the majority of disadvantaged people. It is better for all minimum-wage workers, all part-time workers, and many low-income families.

BI is significantly better for low-income mothers with children in school. From roughly the ages of 5–18, mothers in the BI scenario do *far* better – this group enjoys the second greatest BI surplus shown in Table 4 – because they are still receiving a BI for their kids, whereas in the Services scenario, they are no longer receiving childcare support. And this is a much longer stretch of time, and thus a larger group of people. Moreover, the BI is preferable for women because the Services scenario provides women almost as much income from not working as working, which means that there is a substantial risk of women remaining unemployed, thereby damaging their future financial prospects and making them more reliant on men. That said, it is important to note that these advantages only apply if a BI is given to kids *in addition to* adults. If the BI is given to adults alone, then it will act to disadvantage women by failing to compensate for their special needs.

This basic analysis applies also to working class, two-parent families with children, where the BI surplus is the largest shown on the table; again this is largely attributable to the smaller BI directed to children.

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28 Using Table 3 data, spending of 0.26% of GDP yields a benefit of $2000 per person.
29 Using Table 3 data, spending of 0.76% of GDP yields a benefit of $7400 per person.
30 Using Table 3 data, spending of 1% of GDP yields a benefit of $1500 per person.
31 Using Table 3 data, spending of 1% of GDP yields a benefit of $1500 per person.
32 Using Table 3 data, spending of 0.5% of GDP yields a benefit of $8700 per person.

Table 4: Hybrid-BI (with background of neoliberal services/regulations) versus services (housing and transit targeted broadly).

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
Homeless	N/A	N/A	0.00	**16.0**(BI)	13(W) + 1.5(T) + 1.5(H) = **16.0**	1.00	$0.0 Tie Group size: tiny
Single mother, full-time, min-wage, young child	20.8(I) + 13.6(BI) = **34.4**	20.8(I) + 7.4(CcS) + 1.5(T) + 1.5(H) = **31.2**	0.69	**24.0**(BI)	19.5(W) + 7.4(CcS) + 1.5(T) + 1.5(H) = **29.9**	0.31	$0.4 Tie Group size: small
Single mother, full-time, min-wage, child in school	20.8(I) + 13.6(BI) = **34.4**	20.8(I) + 1.5(T) + 1.5(H) = **23.8**	0.75	**24.0**(BI)	19.5(W) + 1.5(T) + 1.5(H) = **22.5**	0.25	$8.3 BI wins Group size: medium
Single person, full-time, min-wage	20.8(I) + 5.6(BI) = **26.4**	20.8(I) + 1.5(T) + 1.5(H) = **23.8**	0.85	**16.0**(BI)	I3(W) + 1.5(T) + 1.5(H) = **16.0**	0.15	S2.2 BI wins Group size: large
Single person, PT, min-wage	15.6(I) + 8.2(BI) = **23.8**	15.6(I) + 1.5(T) + 1.5(H) = **18.6**	0.70	**16.0**(BI)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.30	$3.6 BI wins Group size: medium
Person with a disability, low- income	20.8(I) + 5.6(BI) = **26.4**	20.8(I) + 8.7(DA) + 1.5(T) + 1.5(H) = **32.5**	0.50	**16.0**(BI)	13(D) + 1.5(T)+ 1.5(H) + 8.7(DA) = **24.7**	0.50	–$7.4 Services wins Group size: small
Black. Indigenous, or Person of Color, FT, working-class	31.2(I) + 0.4(BI) = **31.6**	31.2(I) + 2(R) + 1.5(T) + 1.5(H) = **36.2**	0.91	**16.0**(BI)	13(W) + 1.5(T) + 1.5(H) + 2(R) = **18.0**	0.09	–$4.4 Services wins Group size: medium
Black, Indigenous, or Person of Color, PT, min-wagc	15.6(I) + 8.2(BI) = **23.8**	15.6(I) + 1.5(T) + 1.5(H) + 2(R) = **20.6**	0.85	**16.0**(BI)	I3(W) + 1.5(T) + 1.5(H) + 2(R) = **18.0**	0.15	$2.2 BI wins Group size: medium
White, FT, working-class	31.2(I) + 0.4(BI) = **31.6**	= 31.2(I) + 1.5(T) + 1.5(H) = **34.2**	0.93	**16.0**(BI)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.07	–$2.4 Services wins Group size: large

Table 4: (continued)

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
White, PT, working-class	23.4(I) + 4.3(BI) = **27.7**	23.4(I) + 1.5(T) + 1.5(H) = **26.4**	0.90	**16.0**(BI)	13(W) + 1.5(T) + 1.5(H) = **16.0**	0.10	$1.2 BI wins Group size: medium
Working class two parent family, two school age kids	(31.2(I) + 0.4(BI) + 8.0(BI)) *2 = **79.2** – r(WI) – r(WDE)	(31.2(I) + 1.5(T) + 1.5(H))*2 = **68.4**	0.93	(16.0(BI)) *2 + 16.0(BI) – r(EN) = **48.0**	(13(W) + 1.5(H) + 1.5(H)) *2 = **32.0**	0.07	$11.2 BI wins Group size: large
Elderly low-income	N/A	N/A	0.00	**16.0**(BI)	13(P) + 1.5(T) + 1.5(H) = **16.0**	1.00	$0.0 Tie Group size: medium

Starling from a Neoliberal baseline – with Welfare spending at 0.56% of GDP, Disability spending at 0.66% of GDP, Pension supplement at 0.79% of GDP – we investigate two pathways for increasing economic security. The first is a Hybrid-BI costing 6.06% of GDP, minus the savings from replacing Welfare, Disability, and Pensions, and administration which totals 3.85% of GDP. The second pathway is a Services regime. In addition to Welfare spending (W), Disability spending (D), and Pension supplement (P) as the pre-existing background, we add new costs of Disability Accommodation (DA) at 0.5% of GDP, Housing benefit (H) at 1% of GDP. Transit benefit (T) at 1% of GDP, Racial Justice benefit (R) at 0.26% of GDP, Childcare Subsidy (CcS) at 0.76% of GDP, plus administration costs often percent, yielding a total of 3.87% of GDP. I = Income. See footnotes 24 and 25 for population and employment probability figures. NOTE III. BI determined with a 50% tax rate, as displayed in Table 1. In our evaluations we identify surpluses at $1000 (all in USD) or less, one way or the other, as a "tie". The bold values are the result of the calculation.

Another advantage of BI is that it makes it easier for workers to reduce their work hours. For instance, under the BI scenario, a White worker at working-class wage would go from earning $31,600 to $27,700, shifting to part-time (i.e. a 12% income drop), compared to under the Services scenario when the wage would fall from $34,200 to $26,400 (i.e. a 23% drop). The reason is that with a BI, a decrease in income is partially off-set by an increase in the BI. This is a significant advantage of BI because work-time reduction is an important goal for the left for a number of reasons. Part-time work would expand people's free time, so that they are able to expend a greater portion of their life on pursuits and projects that are fundamentally meaningful to them. Secure, part-time work is also vital from a gender perspective, allowing men to take on more of the labors (and joys) of caregiving, thereby reducing the many harms than stem from the current gendered division of labor (Nedelsky & Malleson, forthcoming). Perhaps most importantly, reducing work time is important for reducing carbon emissions, and achieving a more sustainable rhythm for our working lives.

In addition to these concrete results, there is one other potential advantage of BI that we should take note of, which is that it is likely better than Services in terms of stigma. Since welfare services often rely on means-testing, individuals must prove that they are unemployed and that they are unemployable before they can receive support, thus tending to be stigmatizing and humiliating.[33] Indeed, such systems can even lead to domination (in the republican sense) as bureaucrats acquire significant and often arbitrary power over their charges (Lovett, 2010). This is, of course, intrinsically bad. But it is also consequentially bad because it means that a significant portion of disadvantaged people who qualify for services will not go through the "ordeal" of collecting them (Alatas et al., 2013). Indeed, take up rates – the eligible populations who actually receive benefits – for the Temporary Assistance for Needy Families Program in the US are as low as 30.7% (Crouse & Macartney, 2016; see also Moffitt, 2003). A BI would likely perform significantly better on this account: it would be less stigmatizing because you would simply receive it without having to fill out application forms, or jump through the hoops set out by case workers. With automatic enrollment and integration into the tax process, take up should reach a very high percentage of the eligible population (though see De Wispelaere & Stirton, 2011).

On the other side of the ledger, we see that Services are often better when it comes to groups with special needs.

33 Ken Loach's film *I, Daniel Blake* is one particularly poignant portrayal of this.

Services are significantly better for the disabled, particularly the unemployed (of which there will be significant numbers in this context) because such individuals have additional costs and burdens in their lives that others do not. It is for groups like this that we see most clearly the shortcomings of a BI. For instance, compare Sam, an individual with cerebral palsy, with their neighbor Zainab, who is able-bodied. For Sam to be able to have the same basic opportunities as Zainab in terms of living relatively independently, Sam requires a motorized wheelchair, home renovations, a part-time living assistant, and ideally a custom-built car with finger-controlled steering (all of which are very expensive). For Sam to be able to get a job and travel around the city, requires things like employment regulations providing workplace accommodation, accessible public buildings, accessible busses and subway systems, and so on. The problems with a BI here are threefold: First, BI is unlikely to provide anywhere near the amount of support that such individuals require to access the same basic opportunities. Second, BI, as individualized cash payment, cannot provide the regulations, or the public spending (for things like accessible busses), that are required. And insofar as Sam and Zainab are earning the same (both unemployed or both finding their first job) the BI will treat them identically – it is blind to their differential burdens and needs.[34]

Putting the point another way, the advantage of a Services system is that it has the potential to change the built environment to be more accommodating to a wider range of bodies, in a way that a BI does not. A wheelchair user who receives a BI will still find their basic mobility severely impaired as long as there is no redesign of public infrastructure to establish curb cuts, elevators in subway systems, ramps into buildings, and so on. Even with a BI, a wheelchair user will not be able to enter the front door of many restaurants, stores, or offices (if there's no ramp), and so will be forced to use the back delivery entrance, or might be unable to enter at all. This means that Services likely fare better for disabled people not only in terms of economic security, but in terms of enhancing respect and social standing. A BI, by itself, does little to prevent disabled people from being treated as second-class citizens. This is because a central problem for disabled people is not their *individual lack of resources* (which is what a BI aims to rectify), rather the root of their difficulties is an inaccessible society. Since a Services regime is more

34 That said, while Services are likely to be better for the disabled, it may be worth making the caveat that the whole population of disabled people is not well captured by Sam's case. According to Statistics Canada, only about one in five people reporting a disability identify it as "very severe." As severity grows, employment declines and services become more important. Meanwhile, employment for those reporting "mild" and "moderate" (57% of the total) disability is quite high. See Morris, Fawcett, Brisebois, and Hughes (2018). There may, therefore, be real divisions within this group as to the BI-Services choice.

capable of redesigning the built environment, it is more likely to address the root of the problem here.[35]

Services are likewise preferable for racialized people in working-class jobs; being a racialized minority imposes specific costs on people, which can be partially compensated for by the targeting inherent to a Services model.

However, it should be noted that since, on average, people of color are poorer than White people, a BI will end up providing more resources to people of color than White people. This is why Table 4 shows poor BIPOC doing better under a BI than working class BIPOC. Interestingly, we find that the lower you fall on the income ladder, as a Person of Color, the more that BI becomes preferable to Services. This is particularly relevant as Hispanic, Black, and Indigenous people are disproportionately low income. In this sense, BI also has an important anti-racist dimension. That said, for White and Black people at the same income – as well as for all people above the BI threshold, which is a bit less than half the population in our model – the BI does not differentiate between people. A Black and White person at equal levels of poverty (or affluence) will receive the same BI, despite the fact that the Person of Color will face additional specific burdens that are not only financial but cultural – disrespect, stigma, stereotyping, bias, and so on.

Homeless people do equally well under a BI as a Services regime. However, we suspect that, in general, there is more potential for service-based systems to be superior here due to the reasons identified in Configuration 1, namely, that homeless people often require various specialized services such as social workers, caregivers, addiction specialists, half-way houses, and so on, *above and beyond cash*. This line of thought leads us to speculate that the ideal solution for the homeless, and other very poor people, may well be a hybrid approach: target cash benefits to them at as high an amount as possible, keeping it somewhat lower than the part-time minimum-wage (so as to not incentive part-time workers to quit their jobs); and then supplement these cash benefits with substantial, targeted, non-cash benefits (such as free counseling, free social worker, free care worker supports, etc.), in addition to the public services provided more broadly (e.g. housing and transport subsidies).

In general, therefore, Services are most often better for populations with special needs. This is the fundamental problem with a BI: it is needs-insensitive. The universality of BI may be useful for providing broader support for it (we discuss

35 There is a thorny issue here of the extent to which justice requires spending large amounts of money on the special needs of a small percentage of the population. For example, it's easy to imagine certain groups of severely disabled people for whom extremely large levels of spending would only increase their well-being or capabilities a small amount. So it is an open question as to how much such spending is required for social justice (Haagh, 2019; Van Parijs, 1995).

this issue below), but it ignores the distinctive burdens that specific groups face. In particular it is insufficiently attentive to the specific needs that some groups face: such as the disabled, the racialized, and likely the homeless too. In this respect, BI's greatest strength, its universalism, is also a weakness.

Ironically, a feature usually associated with BI – the "power to say no" – is actually better realized in a number of cases in the Services regime. Here our analysis shows that disabled people, racialized people, and single mothers with young kids have more security from the exit option offered in the Services model. That is, Services are better for these people in terms of empowerment since the safety net (the position one is in if one quits a job or leaves a partner) tends to be more generous. And since these groups of people are particularly vulnerable to exploitation, the ability to say no is particularly salient.

In sum, Services tend to be better for people with special needs, whereas BI is typically better for low-income groups in general.

4 Configuration 3: Social Democratic Context

Consider now a social democratic context typical of the Nordic countries, where the background is one of generous spending on services. The choice is whether it is better to add a BI, or to improve services even more. In order to address this, however, there is a prior question: should services be targeted narrowly or broadly? We have already seen that in certain cases, narrow targeting is advantageous in that it allows for more generosity for specific needs. Nevertheless, narrow targeting at high levels of spending can create problems. In particular, it involves directing large expenditures to a small group. For example, if housing and transit benefits are targeted narrowly to only 10% of the population (and each cost 1.75% of GDP), that would mean that each of these people would receive $27,000 worth of benefits. In such a scenario a person could choose not to work and would receive $13,000 for welfare plus $27,000 for housing and transit benefits, summing to $40,000. Compare this to the normal wage rates: a single-person working full-time at minimum wage would earn only $20,800, and a White person working full-time at a working-class wage would earn $31,200.

We can pass over this scenario quickly because it is clearly implausible. A Services scenario like this would have extremely perverse employment incentives: getting a job means that one's income would actually substantially decrease! Many low-income workers would actually see their income substantially rise if they quit. Given that many of these jobs are unattractive (involving hard work, low-status, repetitiveness, and boredom), it seems likely that all of those employed in such jobs would simply quit. Is it unclear whether an economy could function with this

level of mass unemployment. What is clear is that it would be such a disastrous shock to the economy that no progressive can recommend going down this road. Note also that whereas Services do very badly on this score, there is no comparable problem in the case of BI, discussed below in Table 5. Unemployed individuals would see their income rise by 54% from acquiring a full-time minimum-wage job and by 80% if they acquire a full-time working-class job. The incentives, in other words, are sensible. The heart of the issue is that with services targeted narrowly, the unemployed receive an extremely large benefits package. But as soon as one gets a job, such benefits are entirely lost. This is the well-known "employment trap," which is a major problem for all targeted or means-tested welfare systems.[36]

There are three main problems with disincentivizing formal employment. First, when people drop out of the labor force, welfare costs go up and tax revenues go down. This is a double hit to sustainability; existing revenues are lost and taxes on the remaining workforce have to increase.[37] The second problem is that of reciprocity. Since everyone in society receives benefits from it, shouldn't they be expected to contribute at least some labor in the market? In Jon Elster's words, "[I]t is unfair for able-bodied people to live off the labor of others" (qtd in Howard, 2005, p. 622). It is ironic that relative to an equivalently-sized BI, it is the narrow targeting of services that generates the Malibu Surfer problem. Is it acceptable for, say, low-income single mothers to pay higher taxes so that 20-year-olds are free to surf?[38] The third problem is the danger of unemployment to the unemployed themselves. The problem is that the longer one is cut off from the labor market, the more difficult it is to get back in; this is sometimes referred to as the "scar effects" of unemployment (Gangl, 2004, 2006).

A society providing economic security ought to make it easy for people to periodically step out of the labor market (to say no to an exploitative boss; go back to school; take a sabbatical; do a period of intensive caregiving, etc.), while at the same time, avoid incentivizing exit from the labor market for overly long periods. Generally speaking, BI is more successful at this than narrowly-targeted services because the support one receives when unemployed does not undermine returning to employment. BI in other words has no perverse disincentives: more market work

36 Van Parijs and Vanderborght (2017) point out that the risk of the employment trap is compounded by the kind of jobs which lower-income people are applying for: jobs which are often precarious and with unpredictable earnings. Such unpredictability gives one even further reason for remaining on stable welfare in lieu of risking precarious employment.

37 Harvey (2008) is right to point out that BI is only possible if most people continue to work. In other words, BI advocates cannot say "don't worry, the system won't collapse because most people will keep working," and simultaneously say, "everyone will be free to quit." Both of these can't be true.

38 The debate about this question is extensive. See, for instance, Widerquist et al. (2013, Part III).

Table 5: Hybrid-BI (with services at social democratic level, targeted broadly) versus services + (housing and transit targeted broadly).

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
Homeless	N/A	N/A	0.00	16(BI) + 1.7(T) + 1.7(H) = **19.4**	13(W) + 2.7(T) + 2.7(H) = **18.4**	1.00	$1.0 BI wins Group size: tiny
Single mother, full-time, min-wage, young child	20.8(I) + 13.6(BI) + 1.7(T) + 1.7(H) + 7.8(CcS) = **45.6**	20.8(I) + 2.7(T) + 2.7(H) + 17(CcS) = **43.2**	0.69	24.0(BI) + 1.7(T) + 1.7(H) + 7.8(CcS) = **36.7**	19.5(W) + 17(CcS) + 2.7(T) + 2.7(H) = **41.9**	0.31	–$0.4 Tie Group size: small
Single mother, full-time, min-wage, child in school	20.8(I) + 13.6(BI) + 1.7(T) + 1.7(H) = **37.8**	20.8(I) + 2.7(T) +2.7(H) = **26.2**	0.75	24.0(BI) + 1.7(T) + 1.7(H) = **27.4**	19.5(W) + 2.7(T) + 2.7(H) = **24.9**	0.25	$9.3 BI wins Group size: medium
Single person, full-time, min-wage	20.8(I) + 5.6(BI) + 1.7(T) + 1.7(H) = **29.8**	20.8(I) + 2.7(T) + 2.7(H) = **26.2**	0.85	16.0(BI) + 1.7(T) + 1.7(H) = **19.4**	13(W) + 2.7(T) + 2.7(H) = **18.4**	0.15	$3.2 BI wins Group size: large
Single person, PT, min-wage	15.6(I) + 8.2(BI) + 1.7(T) + 1.7(H) = **27.2**	15.6(I) + 2.7(T) + 2.7(H) = **21.0**	0.70	16.0(BI) + 1.7(T) + 1.7(H) = **19.4**	13(W) + 2.7(T) + 2.7(H) = **18.4**	0.30	$4.6 BI wins Group size: medium
Person with a disability, low-income	20.8(I) + 5.6(BI) + 10.4(DA) + 1.7(T) + 1.7(H) = **40.2**	20.8(I) + 18.6(DA) + 2.7(T) + 2.7(H) = **44.8**	0.50	16.0(BI) + 10.4(DA) + 1.7(T)+1.7(H) = **29.8**	13(D) + 18.6(DA) + 2.7(T) + 2.7(H) = **37.0**	0.50	–$5.9 Services wins Group size: small
Black, Indigenous, or Person of Color, FT, working-class	31.2(I) + 0.4(BI) + 4.0(R) + 1.7(T) + 1.7(H) = **39.0**	31.2(I) + 10(R) + 2.7(T) + 2.7(H) = **46.6**	0.91	16.0(BI) + 4.0(R) + 1.7(T) + 1.7(H) = **23.4**	13(W) + 10(R) + 2.7(T) + 2.7(H) = **28.4**	0.09	–$7.4 Services wins Group size: medium
Black, Indigenous, or Person of Color, PT, min-wage	15.6(I) + 8.2(BI) + 4.0(R) + 1.7(T) + 1.7(H) = **31.2**	15.6(I) + 10(R) + 2.7(T) + 2.7(H) = **31.0**	0.85	16.0(BI) + 4.0(R) + 1.7(T) + 1.7(H) = **23.4**	13(W) + 10(R) + 2.7(T) + 2.7(H) = **28.4**	0.15	–$0.6 Tie Group size: medium

Table 5: (continued)

(1) Type of person(s)	Employed			Unemployed			Evaluation
	(2) BI (k)	(3) Services (k)	(4) p (Empl)	(5) BI (k)	(6) Services (k)	(7) p (Unem)	(8) Exp. Surplus (k) ([2–3]*4) + ([5–6]*7)
White, FT, working-class	31.2(I) + 0.4(BI) + 1.7(T) + 1.7(H) = **35.0**	31.2(I) + 2.7(T) + 2.7(H) = **36.6**	0.93	16.0(BI) + 1.7(T) + 1.7(H) = **19.4**	13(W) + 2.7(T) + 2.7(H) = **18.4**	0.07	–$1.4 Services wins Group size: large
White, PT, working-class	23.4(I) + 4.3(BI) + 1.7(T) + 1.7(H) = **31.1**	23.4(I) + 2.7(T) + 2.7(H) = **28.8**	0.90	16.0(BI) + 1.7(T) + 1.7(H) = **19.4**	13(W) + 2.7(T) +2.7(H) = **18.4**	0.10	$2.2 BI wins Group size: medium
Working class two parent family, two school age kids	(31.2(I) + 0.4(BI) + 8.0(BI) + 1.7(T) + 1.7(H)) *2 = **86.0**	(31.2(I) + 2.7(T) + 2.7(H))*2 = **73.2**	0.93	(16.0(BI) + 8.0(BI) + 1.7(T) + 1.7(H))*2 = **54.8**	(13(W) + 2.7(T) + 2.7(H)) *2 = **36.8**	0.07	$13.2 BI wins Group size: large
Elderly low-income	N/A	N/A	0.00	16.0(BI) + 1.7(T) + 1.7(H) = **19.4**	13(P) + 2.7(T) +2.7(H) = **18.4**	1.00	$1.0 B1 wins Group size: medium

Starting from a Social Democratic baseline – with Welfare spending (W) at 0.56% of GDP, Disability spending (D) at 0.66% of GDP, Pension supplement (P) at 0.79% of GDP, Disability Accommodation (DA) at 0.6% of GDP, Housing benefit (H) at 1.1% of GDP. Transit benefit (T) at 1.1% of GDP. Childcare Subsidy (CcS) at 0.8% of GDP, and Racial Justice (R) benefit at 0.52% of GDP – we investigate two pathways for increasing economic security. The first is a Hybrid-BI (with housing and transit services targeted broadly), its cost is 6.06% of GDP, minus the savings from the replacing Welfare, Disability, and Pensions, and administration, totaling 3.85% of GDP. The second pathway is a Services regime. In addition to the pre-existing background, we add new costs of Disability Accommodation at 0.47% of GDP. Housing benefit at 0.65% of GDP, Transit benefit at 0.65% of GDP, Racial Justice benefit at 0.78% of GDP, Childcare Subsidy at 0.95% of GDP, plus administration costs often percent, yielding a total of 3.85% of GDP. I, Income. See footnotes 24 and 25 for population and employment probability figures. BI determined with a 50% tax rate, as displayed in Table 1. In our evaluations we identify surpluses at $ 1000 (all USD) or less, one way or the other, as a “tie”. The bold values are the result of the calculation.

always leads to more money (see Table A1 for a comparison of employment incentives in BI and Services regimes).

More realistically, then, let us consider our final comparison: a Hybrid-BI (against a background of generous Nordic-level public services), versus an advanced Services regime (where housing and transit benefits are distributed broadly rather than narrowly). We assume a background of social democratic services, meaning higher levels of spending on childcare, disability accommodation, racial justice, housing, and transit (see Table 5 for the breakdown of GDP spending). From this background we consider two pathways.

The first is that of a BI, which as before provides $16,000 to adults and $8000 to children, costing, with administrative expenditures, 6.06% of GDP. Since the BI replaces the Welfare payment (0.56%), Disability payment (0.66%), Pension supplement (0.79%), and administrative costs (0.21%), its total cost is 3.85% of GDP.

The second pathway is that of enhanced services. We increase the Disability Accommodation benefit by 0.47% of GDP,[39] the Transit benefit by 0.65% of GDP,[40] the Housing Benefit by 0.65% of GDP,[41] the Childcare Subsidy by 0.95% of GDP,[42] and the Racial Justice benefit by 0.78% of GDP.[43] Adding in 10% for administrative costs gives us the same expenditure of 3.85% of GDP.

The results here are very similar to the neoliberal case. Here too the most noteworthy result is that BI performs better for the majority of low-income people – all minimum wage workers (single and mothers) and part-time White working-class workers. BI is also better in terms of facilitating a shift to part-time work (since a NIT functions to partially replenish lost income when one reduces hours of work). As we discussed above, this is important for enhancing ecological sustainability, gender justice, and free time (And although we cannot directly see it in the table, BI is probably also better in terms of reducing the stigma and domination of means-testing).

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39 The background here is spending 0.6% of GDP (i.e. $10,400 per person). For the Services scenario, we add 0.47% for a total of 1.07% of GDP (i.e. $18,600 per person), assuming the same population as in Table 3.

40 The background here is spending 1.1% of GDP *broadly to 50% of the adult (20+) population*, i.e. 126,500,000 people, yielding a benefit of $1700 per person. For the Services scenario, we add 0.65% for a total of 1.75% of GDP (i.e. $2700 per person).

41 Same as transit.

42 The background here is spending 0.8% of GDP (i.e. $7800 per person). For the Services scenario, we add 0.95% for a total of 1.75% of GDP (i.e. $17,000 per person), assuming the same population as in Table 3.

43 The background here is spending 0.52% of GDP (i.e. $4000 per person). For the Services scenario, we add 0.78% for a total of 1.3% of GDP (i.e. $10,000 per person), assuming the same population as in Table 3.

On the other hand, we see that Services tend to perform significantly better for groups with special needs, in particular persons with disabilities and the racialized. The caveat is that for racialized groups, again, we find a split. Services are better for the majority of lower-income people of color, though this effect fades as you go down the income scale. The reason for the discrepancy is that our racial justice benefit treats people of color as a homogenous group with uniform needs, where there in fact may be substantial internal class divisions.

One final point should be made about economies of scale—which have been ignored in the calculations made in this paper—in the context of social democratic levels of spending. One of the potential virtues of at least some services is the efficiency gain from economies of scale that we might well see from significant spending on new public transportation systems or public housing projects. On the other hand, taking for granted our social democratic context, there are cases where economies of scale may become less relevant. In a context where, for example, the main travel corridors have already been covered by public transportation, building new transport corridors, however beneficial, may not capture the same marginal efficiency gains. The trade-off between cash and some initial public investment in light rail is one thing; cash versus additional light rail lines is another (see for example, Gendron-Carrier, Gonzalez-Navarro, Polloni, & Turner, 2018).

This issue points to an objection that could be raised with our analysis more generally. A problem with our numeric comparison is that if there are important economies of scale in service provision, then recipient wellbeing, on a per dollar basis, will be improved more efficiently if spent on services. While this might be the case, there is a second crosscutting factor to consider. A dollar spent on any given service might improve recipient wellbeing *less* efficiently if their needs and preferences were such that they place little value on the particular service on offer, preferring instead to spend the cash how they wish. Just as a gift certificate is usually worth less to people than its cash equivalent, recipient wellbeing may increase less efficiently per dollar of services spending. This will also be true when there is significant interest-heterogeneity over the population. Interest-heterogeneity means that, for example, some people will prioritize marijuana and others will prioritize halal foods; but there are geographic heterogeneities worth considering too. If housing need is exceptionally pressing in one area, leading to a nationwide service program responding to those local conditions, other needs that may be more pressing in a different area will be effectively deprioritized. Spending inefficiencies will result whenever there is an uneven geography of need and a program is fit to the priorities of one area. As a highly fungible good, BI is an efficient response to interest-heterogeneity. These two qualitative factors make dollar for dollar numeric comparisons difficult to assess, but because they cut in opposite directions they may, to some extent, neutralize one another.

5 Conclusion

By way of conclusion, let us rearticulate the general lessons gleaned from this study.

1. The numbers matter. It is a mistake to discuss BI without reference to specific amounts because a BI at very different levels is a very different kind of proposal producing very different results. The numbers also allow us to see that this lesson applies equally to proposals for public services: they can be targeted narrowly or broadly, and will have significantly different effects thereby.
2. The background matters. It is a mistake to discuss BI in general as if it were a proposal for a Stand-Alone BI. In fact, most proposals for a BI – and all progressive proposals – are in fact *hybrid proposals* for a BI against a background of implicitly assumed services and regulations.
3. A general finding of this paper is that without a welfare state background, average benefits from services outweigh those from a BI. And likewise, this effect reverses only with a developed welfare state background.
4. In terms of our first configuration, we concluded that a Stand-Alone BI is not desirable, for three fundamental reasons. First, from a strict numeric comparison of benefits, the Services package tends to outdo the Stand-Alone BI on average, despite its greater administrative costs. Second, its universalism makes it needs-insensitive. It is insufficiently attentive, in other words, to the needs of the most marginalized who face specific burdens and therefore has specific needs, such as persons with disabilities, the racialized, and the homeless. Third, basic income is insufficient because by itself cash is an insufficient "currency of justice" (Cohen, 1989). As we saw in Configuration 1, money is not the only thing required for well-being and real freedom; regulations, which act to change the rules of the market game, are also vital. To take just one example, it may well be that regulatory change making it easier to form unions (or to form worker cooperatives) can be just as significant in impacting overall economic security, if not more so, than direct cash payments. The upshot is that progressives need always to be pushing on two fronts simultaneously: on the one hand, trying to expand the amount of monetary resources that disadvantaged groups have, and on the other hand, trying to transform the rules and regulations of the game in a more equitable, empowering direction.
5. Therefore, despite what they commonly say, progressive BI advocates should not, we believe, support BI plain and simple. If they are concerned

with average material benefits, there are threshold conditions for their advocacy to kick in. They ought to oppose BI at low levels of welfare state development and favor it only at mid- and high-levels. This means that it is unwise for progressive BI advocates to join in coalition with right wing BI advocates. The right-left BI alliance should collapse under the weight of the policy details.

6. The heart of the contrast is that benefits can be provided in a manner that is narrow-and-deep-targeting (typical of service provision) or broad-and-shallow (typical of a BI).
7. Given 6, it is not surprising that, in the two realistic contexts that we have discussed (the neoliberal and social democratic contexts with services targeted broadly), *BI is better for the bulk of low-income employed people*, which is the majority of the population with which we are concerned. In particular, working class families with school age children do far better under a BI in all scenarios. Additionally, BI is superior in its ability to facilitate a shift to part-time work, which is important furthering ecological sustainability, gender-equality, and time sovereignty. On the other hand, services are generally better for individuals with special needs, such as persons with disabilities, the racialized, and the homeless.
8. One additional finding of this exercise is that some groups will face only small differences under a BI or Services. For instance, there are only small differences for White working-class workers (at either full- or part-time), at least in the two realistic contexts. A consideration of these group-by-group surpluses may be relevant when assembling coalitions for one or another program.
9. In terms of empowerment, there is an "empowerment-employment trade-off." The more that society enhances the power of working people to say "no," by offering a higher level of guaranteed subsistence, the less incentive there is to be employed. We saw this particularly where we briefly considered the effects of narrowly targeted housing and transit benefits. This means that empowering low-income people to quit comes at the cost of disincentivizing employment. Counter-intuitively, BI is superior to Services in this regard because it softens this tension; it empowers poor individuals but does so with less perverse employment disincentives, as more work is rewarded with more, rather than less, income (see Table A1).
10. We also note one final trade-off, which we might call the "needs-sensitivity versus stability trade-off." The issue here is that the more that economic security is narrowly targeted, either via money or services, the more specific

groups of people with specific needs will benefit, whereas the broader public will not, and may become resentful. On the other hand, the more those benefits are aimed broadly, the larger the constituency who benefits from them, and thereby the more likely such programs will become stable and entrenched (Korpi & Palme, 1998). The average inflation-adjusted benefit value of Social Security has seen a persistent increase over its entire history, and the portion of Americans receiving these benefits has expanded since its inception. Meanwhile, the average inflation-adjusted annual value of welfare benefits in the US has been in continual decline since 1970 (Kenworthy, 2017). It is easy for conservatives to shrink welfare programs because they are given to small numbers of people and the beneficiaries are relatively powerless. The case is quite different for a BI, which has inbuilt anti-austerity properties. The model that we discussed would be provided to roughly half the population – and far more would float in and out over the course of their lives. This would create a huge coalition, like those supporting pensions and universal healthcare around the world, with significant power, strongly opposed to any cuts. Indeed, it may even provide a footing to steadily expand social gains. On these dynamic grounds, the size of the BI may not be so pertinent after all: the initial shallowness of the BI may be deepened by virtue of its breadth. Our analysis in this paper is inherently one of comparative statics, but this argument suggests that dynamic processes and transformative potential may also be part of the desirability of BI (Calnitsky, 2017, 2018).

That said, it is not exactly clear what this means for the models we have been discussing. While at first glance BI appears quasi-universal and Services targeted, we have seen that the truth is actually more complicated. BI is targeted too, though targeted very broadly. Services often involve narrow targets but they can also involve fairly broad ones – services are sometimes just as "universal" as a BI. If we are forced to choose between narrow targets for special needs, or universalism for program stability, there is no easy answer – the trade-off bites.

11. Given the increasing interest in Universal Basic Services in recent years (Coote, Kasliwal, & Percy, 2019; Gough, 2019; Portes, Reed, & Percy, 2017), we might ask: what light does our analysis sheds on its desirability? UBS is conventionally defined as the provision of services which are basic in the sense of "essential," as well as being universal, meaning that "everyone is entitled to services that meet their needs, regardless of ability to pay" (Coote

et al., 2019).[44] However, what we have been calling "Services" includes not simply universal services but also regulations and narrowly targeted services. Since these latter two features are vital, the exclusion of them from the UBS package makes it unattractive (Of course, one is free to argue that UBS *should* include them, but then it's no longer really a proposal for "universal" services, it's a plan for "universal services plus regulations plus non-universal targeted services." This is indeed more defensible, but it is not what is commonly being advocated for under the banner of UBS).

More substantively, our analysis shows that the major advantages of UBS over BI are: (a) that public services are likely superior to a BI in terms of providing significant public goods. In terms of environmental sustainability, for instance, we clearly require massive changes to our transport and housing systems, among others. Such changes are unlikely to come from BI, whereas they are much more amenable to collectively designed services and regulatory frameworks designed for the common good. And (b) some important resources will never be readily provided by the market for purchase (such as addiction clinics for homeless people or curb cuts for wheelchair uses), and so are better provided through collective services than individual cash transfers.

On the other hand, the major disadvantages of UBS are that: (a) standardized top-down service provision provides far less individual choice and agency than cash from a BI.[45] (b) the reliance of UBS on means-testing means that it's more likely to lead to perverse work incentive problems. (c) the reliance on means-testing means that it's likely to retain a stigmatizing, humiliating, and degrading process for welfare claimants. (d) UBS is less successful at facilitating the reduction of work time (and thereby less successful on the related gender and environmental grounds). (e) Perhaps most importantly, our analysis demonstrates that UBS would provide fewer overall benefits to economically insecure people than a similarly-costed BI.

44 The original list included seven basic services: healthcare, education, democracy and legal services, shelter, food, transport, and information (Portes et al., 2017). Our list of Services is somewhat different. In particular we don't include health and education, not because we see these as unimportant, quite the opposite, we see them as so crucial that we simply assume that *every* viable model of economic security worth considering will guarantee them.

45 For instance, recall examples of those like British public housing where residents were banned from even being allowed to choose the color of paint on their front doors (Hirst, 1994).

In sum, UBS (or more accurately a complex of universal services, targeted services, and market regulations) should be seen as a vital complement, though not a replacement, to basic income.

Given these lessons, we can envision the outline of a "real utopian" (Wright, 2010) system of economic security to which progressives might aim. Such a system could be modeled around our Hybrid-BI proposal. It would involve the following mechanisms:

I. A BI at as high a level as sustainable, given the empowerment-employment trade-off.
II. Narrowly-targeted services for those with special needs (such as the homeless, racialized, persons with disabilities, and so on).
III. Regulations to rectify market failures and transform the rules of the game to empower the disadvantaged.
IV. Universal broadly targeted public services, like transit and housing, to deal with market failures. Importantly, given the centrality of employment for most people's security, this must include substantial employment-supports.[46]

In sum, improving economic security likely requires the use of four separate mechanisms: narrowly-targeted services, universal services, regulations, and a basic income. We do not claim that these arrangements satisfy some final and optimal organization of economic life, obviating the need for deeper and more ambitious transformations. But if we are worried about making progress on economic security in the medium term, a hybrid model that strikes a balance between basic income and services is more desirable than pure versions one way or the other.

46 Across the OECD almost 80% of people in their primary working years (aged 25–54) are employed (OECD, 2018). In other words, work remains the vital and fundamental source of security for most (in addition, most people who are not working are supported by those who are). It is therefore an important open question as to what is the best method of job support: Active Labor Market Policies, Keynesian-demand-pumping, Job Guarantees, or some mixture thereof.

Appendix

Table A1: Incentives to work in BI versus services regimes

	Employed		Unemployed		Incentive to work		Evaluation
	(1) BI (k)	(2) Ser. (k)	(3) BI (k)	(4) Ser. (k)	(5) BI empl gain (k) (1–3)	(6) Ser. empl gain (k) (2–4)	(7) Inc. diffs. (5–6)
Nightwatchman Context							
Homeless	$0.0	$0.0	$16.0	$16.0	–$16.0	–$16.0	$0.0
Single mother, full-time, min-wage, young child	$34.4	$35.9	$24.0	$34.6	$10.4	$1.3	$9.1
Single mother, full-time, min-wage, child in school	$34.4	$23.8	$24.0	$22.5	$10.4	$1.3	$9.1
Single person, full-time, min-wage	$26.4	$23.8	$16.0	$16.0	$10.4	$7.8	$2.6
Single person, PT, min-wage	$23.8	$18.6	$16.0	$16.0	$7.8	$2.6	$5.2
Person with a disability	$26.4	$28.1	$16.0	$20.3	$10.4	$7.8	$2.6
Black, Indigenous, or Person of Color, FT, working-class	$31.6	$38.2	$16.0	$20.0	$15.6	$18.2	–$2.6
Black. Indigenous, or Person of Color, PT. min-wage	$23.8	$22.6	$16.0	$20.0	$7.8	$2.6	$5.2
White, FT, working-class	$31.6	$34.2	$16.0	$16.0	$15.6	$18.2	–$2.6
White, PT, working-class	$27.7	$26.4	$16.0	$16.0	$11.7	$10.4	$1.3
Working class two parent family, two school age kids	$79.2	$68.4	$48.0	$32.0	$31.2	$36.4	–$5.2
Elderly low-income	$0.0	$0.0	$16.0	$16.0	–$16.0	–$16.0	$0.0

Table A1: (continued)

	Employed		Unemployed		Incentive to work		Evaluation
	(1) BI (k)	(2) Ser. (k)	(3) BI (k)	(4) Ser. (k)	(5) BI empl gain (k) (1–3)	(6) Ser. empl gain (k) (2–4)	(7) Inc. diffs. (5–6)
Neoliberal Context							
Homeless	$0.0	$0.0	$16.0	$16.0	–$16.0	–$16.0	$0.0
Single mother, full-time, min-wage, young child	$34.4	$31.2	$24.0	$29.9	$10.4	$1.3	$9.1
Single mother, full-time, min-wage, child in school	$34.4	$23.8	$24.0	$22.5	$10.4	$1.3	$9.1
Single person, full-time, min-wage	$26.4	$23.8	$16.0	$16.0	$10.4	$7.8	$2.6
Single person, PT, min-wage	$23.8	$18.6	$16.0	$16.0	$7.8	$2.6	$5.2
Person with a disability	$26.4	$32.5	$I 6.0	$24.7	$I 0.4	$7.8	$2.6
Black, Indigenous, or Person of Color, FT, working-class	$31.6	$36.2	$16.0	$18.0	$15.6	$18.2	–$2.6
Black, Indigenous, or Person of Color, PT, min-wage	$23.8	$20.6	$16.0	$18.0	$7.8	$2.6	$5.2
White, FT, working-class	$31.6	$34.2	$16.0	$16.0	$15.6	$18.2	–$2.6
White, PT, working-class	$27.7	$26.4	$16.0	$16.0	$11.7	$10.4	$1.3
Working class two parent family, two school age kids	$79.2	$68.4	$48.0	$32.0	$31.2	$36.4	–$5.2
Elderly low-income	$0.0	$0.0	$16.0	$16.0	–$16.0	–$16.0	$0.0
Social democratic context							
Homeless	$0.0	$0.0	$19.4	$18.4	–$19.4	–$18.4	–$1.0
Single mother, full-time, min-wage, young child	$45.6	$43.2	$35.2	$41.9	$10.4	$1.3	$9.1
Single mother, full-time, min-wage, child in school	$37.8	$26.2	$27.4	$24.9	$10.4	$1.3	$9.1

Table A1: (continued)

	Employed		Unemployed		Incentive to work		Evaluation
	(1) BI (k)	(2) Ser. (k)	(3) BI (k)	(4) Ser. (k)	(5) BI empl gain (k) (1–3)	(6) Ser. empl gain (k) (2–4)	(7) Inc. diffs. (5–6)
Single person, full-time, min-wage	$29.8	$26.2	$19.4	$18.4	$10.4	$7.8	$2.6
Single person, PT, min-wage	$27.2	$21.0	$19.4	$18.4	$7.8	$2.6	$5.2
Person with a disability	$40.2	$44.8	$29.8	$37.0	$I 0.4	$7.8	$2.6
Black, Indigenous, or Person of Color, FT, working-class	$39.0	$46.6	$23.4	$28.4	$15.6	$18.2	–$2.6
Black, Indigenous, or Person of Color, PT, min-wage	$31.2	$31.0	$23.4	$28.4	$7.8	$2.6	$5.2
White, FT, working-class	$35.0	$36.6	$19.4	$18.4	$15.6	$18.2	–$2.6
White, PT, working-class	$31.1	$28.8	$19.4	$18.4	$11.7	$10.4	$1.3
Working class two parent family, two school age kids	$86.0	$73.2	$54.8	$36.8	$31.2	$36.4	–$5.2
Elderly low-income	$0.0	$0.0	$19.4	$18.4	–$19.4	–$18.4	–$1.0

If Column 7 is positive, incentives to work under BI are greater, if negative incentives to work under services arc greater. Columns 1–4 are post-transfer final incomes pulled from Tables 3–5. All figures are in thousands of USD.

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