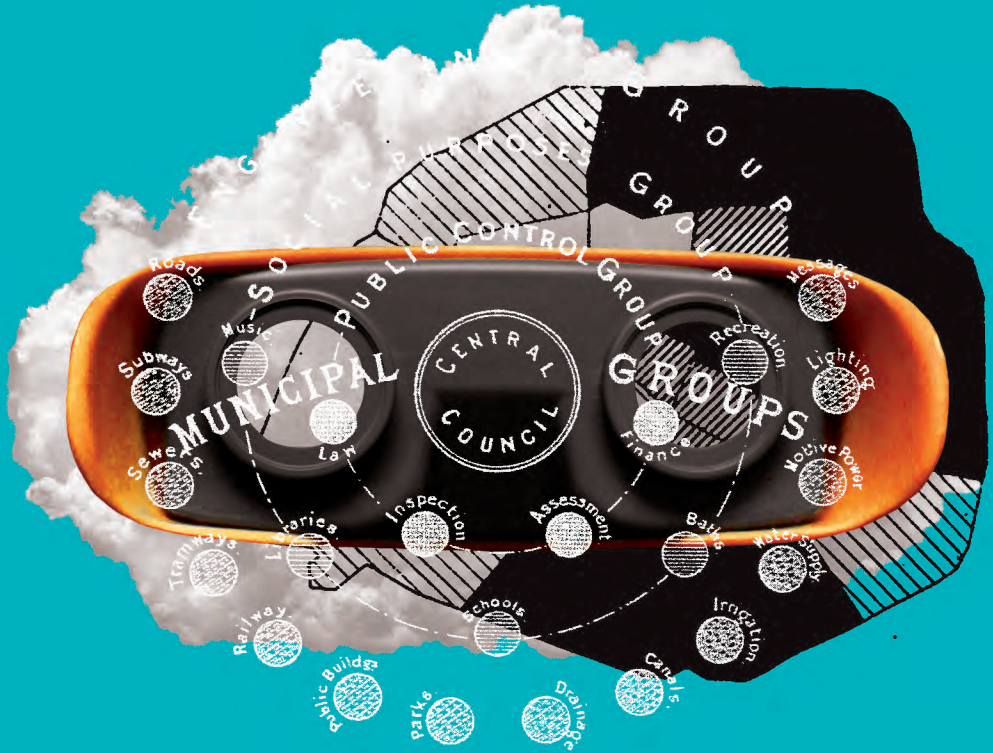


# Catalyst



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*Socialism for Realists*

**CHRIS HOWELL**  
*The French Road  
to Neoliberalism*

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**In a previous *Catalyst* article I argued that the universal basic income would expand the freedom and power of ordinary people. In the following issue, Gourevitch and Stanczyk argued that proponents of this costly policy *assume* the social power that it is meant to achieve. In response, this article argues for basic income as the thin edge of the wedge: I sketch out a vision of the achievability of basic income, passing from a modest — but still emancipatory — program to a more ambitious one.**

# DOES BASIC INCOME ASSUME A CAN OPENER?

DAVID CALNITSKY

**A**n old joke has a physicist, a chemist, and an economist stranded on a desert island with a can of beans but no tool to open it. While the scientists try to actually forge a tool, the economist proposes they “assume” a can opener. For Alex Gourevitch and Lucas Stanczyk, this is more or less what’s happening in the basic income debate: in economistic fashion proponents assume the existence of a social movement that is already powerful enough to make this massive social policy proposal a reality.<sup>1</sup>

Gourevitch and Stanczyk pour some much-needed cold water on the “utopian-cum-realist” discussion of basic income. Although I ultimately disagree with central parts of their essay, their contribution to the debate is very much welcome. Refreshingly, it avoids the common trap of the laundry list approach to critique: “Not only do I deplore eating meat on moral grounds, but *also* steak just tastes bad — plus it’s bad for your health!” Gourevitch and Stanczyk do not bully all the arguments

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1 Alex Gourevitch and Lucas Stanczyk, “The Basic Income Illusion,” *Catalyst* 1, no. 4 (Winter 2018): 151–177.

into line; they have one central critique and argue for it persuasively.

The authors emphasize just how expensive a generous version of the policy really would be, and they stress that it requires a powerful coalition to cull the resources to fund it and take us from here to there. Thus, proponents such as myself have it backwards: it is not that basic income would empower people to demand more, but rather, any generous basic income demands resources that *presume* in advance the existence of a movement to extract them. Proponents assume a can opener. We assume our conclusions. Instead, for Gourevitch and Stanczyk, job one ought to be expanding the social power of poor and working people. And this happens not through social policy, but more or less in the usual way: traditional labor organizing.

My own view is that basic income is roughly about as expensive as Gourevitch and Stanczyk suggest, although I dispute aspects of their rundown of costs and funding. And I also agree that the move towards a generous basic income is something akin to the move towards a genuinely democratic economy, although I see this as a feature, not a bug. Where I disagree strongly is with their imputation of the basic income strategy. I do not see any reason to assume there is some congenital feature among basic income proponents that leads them to embrace an apolitical, ingenuous strategy of simply legislating the thing tomorrow. Gourevitch and Stanczyk criticize a pathway from here to there that is assumed to be a core property of basic income, but in fact, is not. The following remarks will suggest an alternative to the *And Voila!* theory of basic income achievability that at least I, for one, do not hold.

Here is the core of my disagreement with Gourevitch and Stanczyk: I believe that the political system is not so monolithic and closed as to rule out the empowering effects of social policies that harness the interests of broad social forces. They do seem to believe this and cite Martin Gilens's work as evidence that American democracy is insulated from the interests of low- and middle-income citizens. Political change for Gourevitch and Stanczyk is a matter of "traditional forms of labor organizing," just more of it. I read a voluntaristic streak in their

model of social change; they doubt that social policy might function as a “stepping stone to more effective labor politics,” and believe the political system is too ossified to implement policies that will provide us a better footing for further social changes.

The story I wish to tell instead suggests that there are forms of income maintenance that fall short of a fully universal basic income but would nonetheless be politically popular, and therefore robust. Moreover, those policies could also be emancipatory insofar as they expand people’s power to demand more, bridge the gaps between usually disconnected social groups, and lock in a political ratchet effect. I argue both that (1) a generous universal basic income would be emancipatory, ultimately helping to usher in a genuinely democratic economy, and (2) that income maintenance policies which are weaker — and therefore more immediately attainable — than the generous and universal ideal can nonetheless serve as a stepping stone for poor and working people to build power, forge ties, and demand more. The mechanism is the same in both cases, and indeed, all the empirical evidence about wage growth, destigmatizing effects, gender power relations, and labor force participation that I marshaled in my first essay for *Catalyst* comes from a social policy that fell short of a fully universal model, but was empowering nonetheless.<sup>2</sup>

Not all things in the world obey the dialectic, but this does: policies that are achievable in the world today may confer power onto people, which facilitates the realization of *further* policies that again empower them to demand even more. Like the solution to the chicken and egg problem, policy and power co-evolve.

## FEASIBILITY AND ACHIEVABILITY

To begin, when we analyze alternative forms of social organization it is useful to separate the *feasibility* from the *achievability* of a proposal.<sup>3</sup> Gourevitch and Stanczyk cast doubt on one story about basic income’s

2 David Calnitsky, “Debating Basic Income,” *Catalyst* 1, no. 3 (Fall 2017): 63–92

3 Erik Olin Wright, *Envisioning Real Utopias* (London: Verso, 2011).

political achievability, much more than its underlying feasibility. The question of feasibility asks whether a program, once achieved, would unravel through the unintended consequences it generates. It is valuable to ask whether or not a system will prove sustainable once installed, even if we do not have a good theory to explain how it might be established in the first place. For example, we can ask whether this or that model of socialism is feasible, or whether problems of coordination, innovation, or motivation would erode its social reproduction. The question of feasibility is not merely abstract. It is a test any desirable vision of the future must pass, and regrettably, most theoretical models of a socialist economy, however promising, do not inspire genuine confidence in their internal feasibility. In part, this is because these models are so different from ones we know that it is hard to determine where the blockages lie. Thus, in my view, the “realism” of basic income lies not its imminent political achievability, but in its feasibility.

It is true that the policy is incredibly ambitious, but ambitious thinking about transforming the world is at the core of the socialist project, and basic income would not be exciting if it wasn’t so ambitious. The beauty is that we can also have some confidence in its feasibility because its operation does not change too many parts of the world at once. Nonetheless, there are some credible threats to basic income’s feasibility, and in my essay in issue three of *Catalyst*, I focused on the problems of capital flight and labor force participation as the central concerns. As I will reiterate below, while they present serious problems, there is good reason to believe they do not undermine the overall feasibility of the scheme.

The question of achievability is different, asking instead how we can get from here to there. Serious discussions of achievability begin with the acknowledgement that genuinely emancipatory transformations of the world cannot be achieved overnight or legislated in the next Congressional session. Most analyses of socialist models avoid posing this question at all for the very forgivable reason that it is hard to answer.<sup>4</sup>

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4 One exception is David Schweickart, *After Capitalism* (New York: Rowman & Littlefield, 2011).



We might make confident assertions about the range of options on the political agenda in the next five years but claims about what might be achievable fifty years down the road are inherently difficult to evaluate. Assessing the feasibility of a single model is hard enough; the question of achievability forces us to consider the transition between two models. But if we are serious about social change we ought to be able to say something meaningful about achievability, and I regard the “non-reformist reform” path as the most promising.<sup>5</sup> Below I attempt to flesh out a vision of the achievability of basic income along these lines, where a less ambitious (but still emancipatory) program mushrooms into a more ambitious one. But first I reappraise the question of feasibility.

### IS IT FEASIBLE?

Gourevitch and Stanczyk make an implicit distinction between the two concepts. For example, they seem to imply that a generous basic income is in theory feasible, at least as a feature of an already functioning socialism. But they emphasize the colossal price tag of the program, forcing us to ask how such a big increase in social spending is meant to be achieved; more specifically, they doubt any political agent is sufficiently powerful to carry it out. Significantly, however, they do not make the stronger claim that an economic system not entirely different from the current American status quo would be *infeasible* with a 15–20 percentage point increase in government spending. This would bring social spending in the US towards the top of the heap among rich countries, a feat that would be hard to achieve but not something that would unravel once established. Gourevitch and Stanczyk use “general government

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5 In fact, there is no alternative. The revolutionary path is transparently hopeless for the primary reason that it is not in the material interests of the majority (given the uncertainties and that most people have more to lose than their chains). One can be a revolutionary or a materialist, but not both. The argument that the Left must build political parties begs the question. After all, what will they do once they take their power? Once in power, if the revolutionary road is closed, they are forced to think about the nuts and bolts of reforms and must try to institutionalize non-reformist reforms that build and empower a base of supporters.

spending” data from the OECD, which indicate the US spends 38 percent of GDP for public purposes; at the top of the list in 2016, Finland devotes 56 percent. These data also present peak government spending over the past thirty years, which show that both Finland and Sweden maxed out at 64 percent of GDP. The *infeasibility* claim would suggest that Nordic social spending could not exist in the US. However sensibly skeptical we might be about social change, there is little reason to doubt the inherent feasibility of a massive spending increase in America.

But the calculation above is hardly the end of the story; Gourevitch and Stanczyk ignore some of the savings that basic income proponents usually point towards. Analysts such as Allan Sheahen, as well as Philippe Van Parijs and Yannick Vanderborght, find that roughly 10 percent of GDP can be saved on tax expenditures, tax exemptions, lower-level economic benefits, and the lower part of higher-level economic benefits.<sup>6</sup> For example, in Sheahen’s calculation, he finds about 2 percent of GDP in tax exemptions, 2.7 percent in lower-level economic benefits, 2.6 percent in cutting a little more than half of military expenditures, and 5.3 percent in cutting about 80 percent of US tax expenditures.

It is worth lingering on both tax exemptions and tax expenditures. As Tony Atkinson has argued, the “personal exemption” and “standard deduction” in the income tax is closely related to basic income.<sup>7</sup> If the tax rate is 30 percent and the exemption threshold is \$10,000, the exemption provides personal savings of \$3,000; these “savings” are state expenditures like any other and are not unlike a basic income. But notice its regressive construction: A person with \$8,000 in income gets only \$2,400 in the above example. Those with no income get nothing. A basic income would remove the regressiveness hidden in the tax code. Next, tax expenditures, or what Christopher Howard calls the “hidden welfare state,” constitute a massive amount of spending, much

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6 Philippe Van Parijs and Yannick Vanderborght, *Basic Income* (Cambridge, MA: Harvard University Press, 2017); Allan Sheahen, *Basic Income Guarantee* (Springer, 2012).

7 Anthony Atkinson, *Inequality: What Can Be Done?* (Cambridge, MA: Harvard University Press, 2015).

of which amounts to corporate and upper-middle-class subsidies.<sup>8</sup> At \$1.17 trillion, tax preferences in the US corporate and personal income tax far exceed any single government program.<sup>9</sup> Sheahen's calculation closes a huge number of these loopholes, including deductions on homeowner mortgage interest, and corporate tax expenditures such as accelerated depreciation of machinery, deferral of income from foreign corporations, and employer contributions for medical premiums and pensions. He then goes on to cobble together 8.1 percent of GDP in fresh tax revenue through nine different tax instruments.

Karl Widerquist makes an entirely separate point about the net costs of a universal basic income, one that Gourevitch and Stanczyk acknowledge, but which should be belabored.<sup>10</sup> The net cost calculation ought to subtract first the savings, as above, and second, the basic income from net contributors. Imagine the following stylized example: Say we set the UBI to \$2. With a population of 300 people — 300 is an easier number to keep in mind than 325 million — the gross cost is \$600. If we tax \$4 from the top one hundred earners and \$2 from the middle hundred, we collect the gross cost. But since they are also receiving the UBI, the per person net contribution at the top is \$2 and \$0 in the middle, making the total net cost \$200, one-third of the gross cost. Of course, the gross cost still needs to be collected, which is no small feat, but however you tweak the example above, the net cost gives a far more reasonable figure.

If we factor both kinds of savings into the net cost calculation, and allow for ambitious but feasible tax increases, we might conclude that getting from here to there is tremendously hard, but not as hard as Gourevitch and Stanczyk suggest — and we certainly cannot say that such a state of affairs is infeasible. To the feasibility question in particular, there is no good theoretical reason to argue that under capitalism,

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8 Christopher Howard, *The Hidden Welfare State* (Princeton University Press, 1999). See also, OECD, *Tax Expenditures in oecd Countries*, 2010, [oecd-ilibrary.org/governance/tax-expenditures-in-oecd-countries\\_9789264076907-en](http://oecd-ilibrary.org/governance/tax-expenditures-in-oecd-countries_9789264076907-en).

9 T.R. Reid, *A Fine Mess* (New York: Penguin, 2017).

10 Karl Widerquist, "The Cost of Basic Income," *Basic Income Studies* 12, no. 2 (2017): 107–118.

social spending hits a hard limit at such and such a level. If this is the falsifiable core of the Marxist theory of the state, then it is false. The history of the twentieth century is a history of steadily rising public social expenditures, even through periods of lower profitability; every erstwhile peak was eventually surpassed, and there has never been a great reversal. If we are to make a genuine infeasibility claim it must rely on specific theoretical mechanisms, not a blanket assertion that some level of social spending is too much.

Thus, the two threats to the feasibility of basic income remain declining labor force participation and capital flight. As I argued in my first paper, the balance of evidence suggests that the former is unlikely to be a major stumbling block. The latter is more serious, but can be both mitigated and leveraged, in that order. At lower levels of net cost, it can first be mitigated through the simple mechanism of bad press. Firms really do want to avoid it; when Walgreens' offshoring plans were criticized in the media, they cancelled them.<sup>11</sup> The mechanism is uncomplicated, but should not be underestimated; in my view, the Left has over-learned the lessons from Kalecki. Yes, capitalists might threaten to disinvest, but it is also worth remembering that practical men of business in America are totally full of shit.

The capital flight problem can also be mitigated, at lower levels of net cost, by making use of forms of tax collection that are less likely to directly impact investment, such as income taxes, payroll taxes, and value-added taxes. The latter are worth mentioning in particular, as many generous welfare states often have high value-added taxes — indeed, in the second half of the twentieth century states that relied heavily on consumption and payroll taxes were the fastest to grow their social spending.<sup>12</sup> Social scientist Lane Kenworthy has a proposal to slowly add 10 percentage points to government revenue, a large portion of which

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11 Reid, *A Fine Mess*.

12 As noted in my first paper, the more reliant the funding scheme is on regressive taxes the more it operates as a system of risk pooling, partly functioning as a mechanism for internal redistribution among wage and salary earners. See Pablo Beramendi and David Rueda, "Social Democracy Constrained," *British Journal of Political Science*

comes from value-added taxes.<sup>13</sup> Even if we ignore Widerquist's point about net costs, converting ten existing GDP points along Sheahen's lines and adding ten new points along Kenworthy's lines gets you a basic income of \$15,200 for every US adult.<sup>14</sup> Doing so takes us quite a ways into the world of a universal basic income, but not yet into the realm of socialism in America. While it is far from outrageous to imagine this as a stable equilibrium, it is worth considering that by this point socialism does become increasingly within reach.

If, for example, we convert fewer existing GDP points and add more fresh spending, especially through taxing capital, the capital-flight problem emerges again, but this time it can be solved in new ways. How might we leverage the capital-flight problem as the net costs of basic income become even higher? There are two ways this might work. First, as basic income grows, and capital flight becomes more likely, capital controls may become increasingly viable due to a combination of basic income's rising popularity and the resulting willingness of political movements to publicize the bad behavior of fleeing firms.

Second, if my popularity hypothesis is true, capital flight may become an opportunity to leverage the polity into socialism. Those firms or industries at risk of exit should be scapegoated and specially targeted for nationalization. This brings additional revenue for the growing dividend and serves as appropriate comeuppance for defecting industries. If there exists a popularity effect that serves to grow social expenditures and a profitability effect that acts as a break on that growth, the historical record has shown the former to completely swamp the latter. As popularity runs into capitalist defection the exploitation of new sources of capital income becomes increasingly plausible. This is the mechanism through which the move towards a generous basic income is something akin to the move towards democratic socialism.

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37, no. 4 (2007): 619–641.

<sup>13</sup> Lane Kenworthy, *Social Democratic America* (Oxford: Oxford University Press, 2014).

<sup>14</sup> My calculation, using updated GDP and population figures. Note that Sheahen wipes out most tax expenditures, as mentioned above, and most lower-level economic benefits, but retains many that would be important for social justice, such as the Child Tax Credit, which goes to low-income families with children.

## IS IT ACHIEVABLE?

What about achievability? Is there a road from here to there? Gourevitch and Stanczyk offer a council of despair; they make a strong case that a massive increase of social spending is politically unachievable. Although the feasibility analysis above suggests it is also more achievable than the authors make it out to be, the story I wish to tell begins with a kind of basic income that falls short of generous but is itself achievable in the not too distant future.

While I think history suggests it is unwarranted to rule out massive increases in social spending in some medium-term future, those spending increases are not *immediately* obtainable. A guaranteed annual income, however, *is* within the bounds of what a mobilized political coalition could achieve today. The difference between the two policies is that although it provides a floor below which no one's income can fall, the guaranteed income phases out as market earnings rise, while the UBI only phases out in its net benefits. In the gross terms of what must actually be collected, the former is far less expensive. I argued in my first essay that many but not all of the virtues of UBI are also available with the guaranteed annual income: "Both policies provide the freedom to exit from the labor market, but UBI, as a truly universal policy, is better positioned to strengthen social solidarity."<sup>15</sup>

From the perspective of Gourevitch and Stanczyk's argument, it is important to note that the guaranteed annual income is a small fraction of the gross price tag of the universal basic income they cost out. The virtue of this weaker policy is that its initial passage is not hard to imagine in the context of the current welfare state. At the most generous, Aaron Major calculated a "social justice" basic income system that topped up all citizens to an income more than double the poverty line (\$63,741 for two adults with two children, \$37,581 for two adults, and \$26,830 for single adults); he gives the scheme a gross cost of \$1.4 trillion, or about

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15 Calnitsky, "Debating Basic Income," 64

7.5 percent of GDP. In another example, one “progressive” version of the policy analyzed by Jeff Manza and Fred Block amounted to about 0.8 percent of GDP once lower-level cash transfers are netted out. A recent appraisal of this kind of system in the Canadian context puts the net cost of a guaranteed income at around 2.3 percent of GDP.<sup>16</sup> There are numerous costings of the guaranteed annual income, but they are all far more affordable than UBI in terms of the tax revenue required and could be added onto current spending with few conversions. The cost objection to this kind of guaranteed income is even less persuasive than a cost objection to Medicare for All, a program that is most likely more expensive in gross terms but not so expensive to dispute the prospect of its initial passage. The reason the guaranteed income is more affordable than UBI in gross costs is because payments phase out, as shown in Table 1:

**TABLE 1. THE IMPACT OF THE GUARANTEED ANNUAL INCOME WITH TWO TAX BACK RATES**

50%			33%		
Market Incomes	Guaranteed Income Payment	Post-GAI Income	Market Incomes	Guaranteed Income Payment	Post-GAI Income
0	20,000	20,000	0	20,000	20,000
5,000	17,500	22,500	5000	18,333	23,333
10,000	15,000	25,000	10000	16,667	26,667
15,000	12,500	27,500	15000	15,000	30,000
20,000	10,000	30,000	20000	13,333	33,333
25,000	7,500	32,500	30000	10,000	40,000
30,000	5,000	35,000	40000	6,667	46,667
35,000	2,500	37,500	50000	3,333	53,333
40,000	0	40,000	60000	0	60,000

NOTE: With a guarantee ( $G$ ) of \$20,000, a tax-back rate ( $t$ ) of 50% or 33%, and market income ( $M$ ), the payment ( $P$ ) is determined with the formula,  $P = G - t^*M$

16 Parliamentary Budget Office, “Costing a National Guaranteed Basic Income Using the Ontario Basic Income Model,” 2018; Fred Block and Jeff Manza, “The Case for a Progressive Negative Income Tax,” *Politics & Society* 25, no. 4 (1997): 473–511; Aaron Major, “Affording Utopia,” *Basic Income Studies* 11, no. 2 (2016): 75–95.

I see a guaranteed annual income organized as a negative income tax as a desirable second best that can pave the road to a more fully universal policy. And while the phase-out mechanism makes it more affordable, this is not code for neoliberal. It is affordable in relative terms, but most every proposal constitutes large spending increases. Indeed, the two models have more similarities than differences. It can be shown that the overall redistributive impact and the impact on incentives would mirror a UBI, even though it involves far less “churn”; that is, the fully universal model both distributes more and collects back more.<sup>17</sup> Both schemes involve income assessments too, but with a UBI one’s income is assessed at tax time, *ex-post*, and with a guaranteed annual income assessments happen *ex-ante*, before the benefit is distributed.

Additionally, if designed along the lines of the Mincome experiment, the policy *would* provide an exit option from the labor market. And while Gourevitch and Stanczyk are right that this would inspire business opposition, so would a push for stronger unions and most every left policy proposal — it is strange to read this as a reason to pack our bags and go home. There are ways, moreover, to build up to schemes that facilitate labor decommodification and the exit option, as discussed below. That is to say, there are ways to slowly ratchet up the program and boil the opposition alive like frogs in a pot.

I noted above that all the findings I reported in my first paper come from a guaranteed annual income of this sort, including the result that firms’ wage offers increased. If a guaranteed annual income for a single-person household with no children was set to \$20,000 with a 50 percent phase-out, it would provide benefits to everyone earning less than \$40,000; as the tax-back rate is adjusted downward, the program would reach further into the middle class, drawing in a broader constituency (see Table 1). For example, dialing down the tax-back rate from 50 to 33 percent means that benefits for single adults are received by those earning up to \$60,000.

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17 L.F.M. Groot, *Basic Income, Unemployment and Compensatory Justice* (Boston: Kluwer Academic, 2004).



My argument for basic income achievability is fundamentally rooted in its broad appeal. In the case of Mincome, typically separated groups were brought together under a unified scheme, and the boundaries between former welfare recipients, the unemployed, and the working poor began to blur, which in part accounted for its overwhelming popularity. In particular, it is the deserving status of the working poor that inoculated the program from the negative association with welfare policy. Manitoba New Democratic Party Premier Ed Schreyer's oft-repeated slogan that "the time has come to give out welfare at the unemployment office" meant that the historic gulf between the deserving and undeserving poor ought to be bridged.

Compare the guaranteed income to traditional social assistance. It is wrong to blame the victim, but if there has ever been a social program that invites it, it's welfare. If policy tools are to be socially reproducible, if they are to provide a base from which to mobilize for broader reforms, they must consider the moral reasoning they foster. Left activism around welfare often involves demands to "raise the rates," that is, increase the payments going to a very small, marginal group. AFDC/TANF (i.e., welfare) benefit levels are indeed low — and the average inflation-adjusted per-family benefit level has been in steady, secular decline since the 1970s — but the demand should be different. In place of "raise the rates," why not "ease the conditions," "remove the rules," or "cut the strings"? Weakening the strict eligibility criteria for qualifying for social assistance — the degrading and invasive caseworker discretion, the searching investigations into the personal lives of recipients — ought to be an end in itself. But by including everyone who falls, for whatever reason, under some income threshold you also begin to capture a broad constituency of precariously employed and low-income people. This is a change that would make the program less, not more, neoliberal.

My question to basic income skeptics on the Left is this: We demand increasing welfare payments, but why not ease welfare conditionality? Most every welfare activist agrees that we ought to reduce the degrading and invasive eligibility restrictions of welfare. But how far should they be

reduced? Should they be invasive but not degrading? Where *should* the line be drawn? If you find the eligibility criteria cruel and unnecessary but dislike basic income you face an insoluble dilemma. I know of no good left argument suggesting we ought not ease these conditions, and indeed, we should ease them all the way into a guaranteed annual income, where anyone who falls below some threshold, for whatever reason, is automatically topped up. There is no socialist case to retain a highly categorical welfare state whose main function is to foster divisions between social groups. Nor is there a case to quarantine welfare recipients. Instead, we ought to fight for a welfare state that opens communication channels among groups, not one that draws bright lines between them.

Thus, in many countries the first step towards basic income achievability is reducing the barriers to entry for social assistance. In the US, because welfare has already been so dramatically circumscribed, the demand instead might be to make the Earned Income Tax Credit (EITC) unconditional rather than conditional, as proposed by Manza and Block.<sup>18</sup> As I argued in my first paper, work-unconditionality is more important than the actual generosity. While nearly a quarter of Americans receive the benefit, the average EITC payment is only \$2,300. But the program is an employer subsidy because of its conditionality — which pushes up the labor supply and pulls down wages — not its amount; making it unconditional would undo the subsidy effect, but moreover it would be a crucial step towards further broadening its constituency, thus helping to lock in the popularity that would facilitate its expansion.

Unconditionality matters more than generosity because some amount of alternative actually does help provide exit power. As I argued in my first paper, a small but work-unconditional grant can make it somewhat easier to be picky, to temporarily exit the labor force, or to bargain from a stronger and less desperate position. It can, moreover, be saved and used as a financial buffer in between jobs. Even an insufficiently sized but unconditional income can yield bargaining power. Providing an exit

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18 Block and Manza, “The Case for a Progressive Negative Income Tax.”

should be understood as a continuous variable, not a binary one, as the concept of the reservation wage makes clear. It is simply not true that it is necessary to have a basic income as high as \$15,000 to raise the reservation wage of labor, improve bargaining, allow workers to stay out of the labor force longer than they otherwise would, or strike more effectively.

Recently, a paper on the Alaska permanent dividend fund — a very small but highly popular and unconditional basic income — showed that relative to synthetic controls, the dividend generated no overall labor market effect, but the authors argue that the zero net effect can be decomposed into a labor supply *decline* that was offset by labor demand *growth*. While some worked somewhat less, the downward distribution of funds towards people with a higher marginal propensity to consume led to growth effects that gave others the opportunity to work somewhat more.<sup>19</sup>

As long as an income-maintenance system with a low level of generosity is available whether or not people work, there is a clear mechanism through which gains might be achieved: its increasing popularity. This is the path to slowly expand general government revenue to fund increases in generosity. Since 1940, Social Security’s average inflation-adjusted benefit level has only increased annually, and it is extraordinarily popular — and so would be “Social Security for All.” It might also be framed as “insecurity insurance” or “low-income insurance.” And while we can imagine an opposing coalition of employers and secure job-holders who might counter-frame the policy as “insurance for losers” or “cash for cucks,” a supporting coalition would be larger. It would include low-income workers, the precariously employed, the underemployed, former social assistance recipients, students, young people, and if explicitly tied to Social Security, the elderly. The point here concerns both the initial passage and the durability of the program. A work-unconditional guaranteed income would not entail the gargantuan gross spending

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19 Damon Jones and Ioana Marinescu, “The Labor Market Impacts of Universal and Permanent Cash Transfers,” *National Bureau of Economic Research, Working Paper no. 24312*, 2018.

increases that prompt cost objections to its initial achievability. And moreover, any income-maintenance system that brings huge numbers of people into the fold is likely to build a constituency that safeguards its sustainability and facilitates its expansion.

## DIALECTICS OF POLICY AND POWER

This brings me to a fundamental disagreement with Gourevitch and Stanczyk over the question of policy and power. The authors seem close to denying that policies can shape the future terrain of organizing. To them, democracy is a broken instrument that cannot be made to work for our purposes and rebuilding the working class will have to make do even “without the benefit of meaningful labor law reform.” They suggest that what we need is labor organizing “to build a new working-class consciousness.” While I agree on the importance of mobilization, in contrast to my argument that policy and power co-evolve, they say little about how this class consciousness might be achieved. Rather, in seemingly voluntarist fashion, they propose that organizing emerges from organizing: “The means to the requisite political organization, moreover, must come through labor organizing.”<sup>20</sup>

In my reading, this view is missing an underlying motive force — hence the trace of voluntarism, or a can opener problem of their own — but more importantly, I do not see a clear game plan. Organizing needs objectives to organize around, and those objectives should be ambitious and exciting, but also imaginable. It is false to dichotomize advocating for a new redistributive agenda like basic income and organizing the working class. One can imagine extending the Gourevitch and Stanczyk critique to any expensive social policy proposal: don’t bother until we have an organized working class. Should organizers enter workplaces with the pitch that everyone sign up, but pooh-pooh any discussion of the point of it all? Should that conversation be delayed

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20 Gourevitch and Stanczyk, “The Basic Income Illusion,” 154.

to a later date when we are all sufficiently powerful? More promising is to organize around big agendas; this is the approach taken by groups like Bargaining for the Common Good.<sup>21</sup> Medicare for All would be another example of a policy that can be a boon to organizing; it is also an expensive proposal — certainly in terms of gross government expenditures — that will require substantial mobilization to obtain. And it would put workers in a better position after its passage by diminishing the coercive power of unemployment. Big ideas like Medicare for All and basic income are appealing to organize around both because of the broad benefits they promise and because, once passed, they can change the landscape of social struggle in ways that are favorable to popular forces. Shrugging off policy objectives that sit somewhere in the intermediate space between a socialist economy and a ten-cent raise is a strategy unlikely to inspire broad working-class organization.

To my mind, the objective ought to be reforms that serve as a stepping stone towards (1) a better set of outcomes, and (2) a better position; that is, ameliorative and emancipatory reforms. We know that social policy matters immensely for the amelioration of human suffering — for example, the very best predictor of success against child poverty is the share of “left” parliamentarians.<sup>22</sup> But policy can be emancipatory too. It is true that people make choices under conditions not of their choosing, but policies that “we” legislate can help shape those conditions. Income maintenance policies that *could* be legislated, but fall short of a fully universal basic income, can help to realize a more universalistic vision. Even better than wishing and hoping for a new labor upheaval is helping to foster the conditions for its emergence.

Gourevitch and Stanczyk argue in their paper that it is “simply false that political institutions in the United States are mostly responsive to the policy preferences of the average voter,” and that “there is little indication that a majority of citizens is actually in charge.” While there

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21 See [www.bargainingforthecommongood.org](http://www.bargainingforthecommongood.org).

22 Lee Rainwater and Timothy Smeeding, *Poor Kids in a Rich Country* (New York: Russell Sage, 2003).

is some real truth to this, I believe the authors are wrong to dismiss the effect of broad popular support. For one, the argument forwarded by Gilens and Page is simply not the end of the story: three separate political science papers contest their empirical findings.<sup>23</sup> But we can acknowledge that there are severe democratic deficits in the US without denying that popular policies are highly robust, and that narrowly targeted policies are less so. Universal health care in Canada is untouchable for this reason. Social Security in the US is robust, however much elites might want it dismantled; contra Gilens and Page, the rich dislike it, and yet it remains. Even through the neoliberal period, these social programs have tended to grow, not diminish. The general claim that universalistic social programs generate political buy-in by the majority of citizens turns out to have empirical support and should be used as a lever to slowly build political power.<sup>24</sup>

The Left ought to reconsider the voluntarist perspective suggesting we must simply work harder, keep at it, and organize in all the traditional ways. Speaking broadly, in contemporary left thought the argument privileging struggle as a strategy and end point on its own, separated from policy formation and institutional innovation, has pushed too far. In part it is rooted in an overly stylized vision of capitalism — inherited from Smith, Ricardo, and Marx — as a homogenous mode of production immune to institutions operating internally that help to build a new world inside the old. And in part it is rooted in a kind of religiosity that makes social policy taste yucky. However, ignoring the interaction between social policy and social struggle leads to an impasse. Not only is this outlook potentially guilty of voluntarism, but it blocks our ability to see how

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23 See J. Alexander Branham, Stuart N. Soroka, and Christopher Wlezien, “When Do the Rich Win?” *Political Science Quarterly* 132, no. 1 (2017): 43–62; Omar S. Bashir, “Testing Inferences about American Politics,” *Research & Politics* 2, no. 4 (2015); and Peter K. Enns, “Relative Policy Support and Coincidental Representation,” *Perspectives on Politics* 13, no. 4 (2015): 1053–1064.

24 David Brady and Amie Bostic, “Paradoxes of Social Policy,” *American Sociological Review* 80, no. 2 (2015): 268–298; Walter Korpi and Joakim Palme, “The Paradox of Redistribution and Strategies of Equality,” *American Sociological Review* 63, no. 5 (1998): 661–687.

seemingly technocratic fixes can in fact improve our position to struggle.

A basic income is not likely to be implemented in one fell swoop — I doubt many advocates have that in mind as the proposed road to freedom. The cost objection loses its force if we imagine a smaller program that builds a popular base from which to expand. This is why Gourevitch and Stanczyk's criticism is not entirely fair. A viable scheme gets implemented incrementally; but along the way, the key principle is work-unconditionality, not some preset level of payment. The initial affordability of the policy is what makes it achievable. Its unconditionality is what makes it feasible; it brings supporters on board and builds up a constituency for further increases. This means that a reasonable starting point is an insufficient but unconditional guaranteed income, one that is ameliorative but also progressively emancipatory in that it builds bridges and builds power.

Is my dialectical program just neoliberalism by stealth? Does this darkly Hegelian road come to a dead-end? It is widely believed that basic income presents a clear and present danger of cooptation. This is true; it is entirely possible to imagine it being coopted. The same is true for a jobs guarantee, Roemer's coupon socialism, strengthened unions, Medicare for All, and every ambitious but plausible scheme to reorganize socioeconomic life for the better. While we should be sensitive to this dilemma, striving to make all our proposals uncooptable is a mistake. Proposals that are uncooptable might have appeal to political ascetics, but they are far less likely to be feasible, and fare even worse on achievability. Cooptability should be seen as a necessary condition for our policy proposals, not a reason to disavow them. It is a measure of success rather than failure because it implies a design aimed at fitting itself onto the world as it actually is. Moreover, it is a dilemma that comes naturally with power, and can only be escaped by clinging onto our marginality; confronting these dilemmas only means we are that much closer to realizing the world we want. ✎