Social Thoughts and Theories of Basic Income

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1 What is Basic Income?

Basic income (BI) is conceived to be a regular income which is to be supplied equally to all individual social members without means test by their government. Every individual social member can rely upon this income as a foundation for his/her whole economic life, and can add to it any other income.

This idea began to gather wide academic attention in Western Europe since the 1980s, as exemplified by formation of BI Research Group in 1984 as well as BIEN (BI Earth Network).

It reflects a deadlock of traditional welfare policies, as individualistic lifestyle (such as in case of single mothers, and single elderly persons) became widespread, and as irregular and unstable jobs were more and more generalized. The idea is combined with various ideologies and supported also by important Marxian theorists as a policy device to guarantee real freedom for all in a future socialist society (via social democracy) against the Soviet model.
In Japan, the conception of BI has been introduced by Shuji Ozawa (2002) after two decades as a new idea of reforming social security system. It has soon gathered wider and wider social interests.

Papers and essays on BI have increased in many academic journals as well as mass medias. Some political parties began to take this idea into their electoral manifest campaign.

However, arguments on BI in Japan tended remain mostly remain within the framework of reformation of the existing social security system in capitalist societies. As a result, socialist contributions to BI was largely neglected.
2 Two Streams of BI

In my view, reexamination of the history of economic thoughts can easily reveal two streams of idea on BI as background of contemporary arguments.

One of them presumes a capitalist society so as to argue for basic income. This stream begins from T. Pain (1795-96) in the late 18\textsuperscript{th} century, and comes down via D. Milner, J. Mead and others in the 20\textsuperscript{th} century, to the recent proposals of basic income as reformation of social security system.

Another stream presupposes some kinds of socialist society. This tradition starts from an American utopian novel by E. Bellamy (1888) in the late 19\textsuperscript{th} century, and flows through O. Lange (1936-37) and recent J. Roemer (1994) in their models of market socialism.
It is clear that a socialist society with public ownership of land and other means of production can realize a higher level of basic income more easily than in a capitalist society, as P. van Parijs (1995) suggests.

However, full basic income which is sufficient to support an ordinary economic life for individual persons cannot be expected to realize even in models of market socialism, not to mention capitalist societies, as it would seriously damage functions of labour market and incentive for market labour.
3 How to think of Free-riders?

A possibility to cause free-riders is often used as a strong reason against the idea of basic income.

However, so far as basic income must remain partial, and cannot be full in capitalist as well as in market socialist societies, a free-rider, who would receive basic income without offering any useful work to society, must be penalized by an insufficient income for his/her life.

This would possibly reduce a danger to increase free-riders under the basic income scheme.

It is also not easy, and needs too much inspection of privacy with much administrative costs to exclude such free-riders. Therefore, the possibility of causing free-riders to some extent had better be allowed in the basic income scheme, as P. van Parijs and T. Fitzpatrick (1999) admits.
4 Possible Size and Resources

What to think about the possible size of BI the public resources necessary? S. Ozawa’s scheme to supply a monthly basic income of 80 thousand yen to the whole of Japanese population to meet their basic need has gathered much attention. The total budget necessary for it, 115 trillion yen, is supposed to be collected by a proportional BI income tax of about 50% on salary income.

It is theoretically problematic why the tax base is limited just to workers income, excluding corporate income.

The functions of BI should also be carefully reconsidered. Without being combined with social regulations on conditions of employment, BI may work as a subsidy for capitalist firms to use more of irregular cheap labour. The social needs for public welfare services in the fields of child care, education, medical care, and caring elderly persons should not be discounted for the sake of BI scheme.

The idea of basic income cannot be a magical cure-all medicine.
5 Marx’s Thoughts and Theories for BI

Although Marx did not suggest any idea for a social system of redistribution of income similar to BI in a capitalist society, his basic thought and theories to clarify the historical character and limitation of capitalist economy can be utilizable to support the contemporary socialist arguments for BI.

For instance, his image of future society beyond capitalism as ‘association of free individual’ is closer to the idea of BI to achieve real freedom for all individuals rather than to the Soviet model of society.

His theoretical recognition of historical existence of human labour process broader than the market labour can easily be applied to the recognition of socially functions of non-market labour like domestic work, so as to be rewarded by income redistribution in the form of BI.

It is interesting to see that his over-accumulation crisis theory of labour shortage type suggests a difficulty to realize a full basic income.
At the same time, contemporary arguments for basic income request reconsideration on some of Marx’s thought and theories.

In his famous critique of the Gothaer Program (1875), Marx proposed two phases in the development of communist society. At the first lower phase, the individual producer receives back from society an amount of means of consumption proportional to his/her labour contribution to the society. Therefore unequal right for unequal labour must remain. Then, an ideal social relation between labour and distribution, ‘from each according to one’s ability, to each according to his needs’ can be realized only at the second higher phase of communism, where the productive forces have increased to enable co-operative wealth flow more abundantly.

In view of this formulation, many Marxian scholars tended to assume that distribution according to needs or necessity must be a social target in the very far future. However, contemporary Marxian economists begin to be aware that distribution according to one’s necessity can be at least gradually and partially realizable in the form of social security system or its reform program as BI even in a capitalist societies.
Moreover, so long as the idea of basic income proposes egalitarian redistribution of income, it also requests reconsideration on Marx’s theory of complex labour. In the formulation for socialism above, Marx assumes that complex labour supplies more labour in the same time in comparison to simple labour.

In my reconsideration, from Marx’s own more basic view of human common broad mental ability to perform various works in labour process, labour-time can be conceived fundamentally homogeneous, commensurable as abstract human labour, and need not be treated as unequal in the same time between complex and simple labour (or between market and nonmarket labour).

This recognition can be separable from the issue of value of skilled or complex labour-power, which must cover the training and educational costs of complex labour-power in a market economy. If Marx’s theory of skilled or complex labour is amended to suit such a recognition, it would solve a long-standing crux in the labour theory of value, and can surely be a theoretical base more suitable with the egalitarian spirit of BI scheme.
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