

[Sign In](#)[Subscribe](#)

## Economics books

# Money for nothing: the case for a basic income

Advocates of a universal wage are increasingly citing evidence as well as appealing to ideals. Could their dream become reality?

## FT Books Essay



*A demonstration by 'Generation Basic Income' in Basel in 2013*

YESTERDAY by: Akash Kapur

We live in implausible times. Robots may take our jobs. The Arctic might disappear. A new wave of strongmen is pushing back against what only yesterday seemed like an unstoppable tide of liberal democracy. As the New York Times recently reported, media references to that menacing line from Yeats — “Things fall apart; the centre cannot hold” — have spiked to a 30-year high.

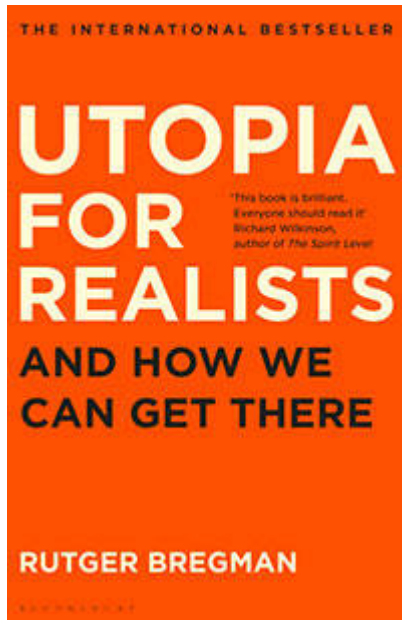
It's only natural, amid all this uncertainty, to cast about for alternatives. Conventional wisdom and expertise are at a dead end. Our policy toolkit seems woefully empty. Into this void steps Rutger Bregman, a 28-year-old Dutch writer and thinker whose four books and writing in the media have received

considerable attention in his own country. His ambition in *Utopia for Realists* is large; he wants to rescue us from our current economic, social and political malaise. The language he uses to describe his mission is similarly soaring; he seeks nothing less than to guide us toward “a new lodestar, a new map of the world that once again includes a distant, uncharted continent — ‘Utopia’ ”.

The tricky thing about utopia is that it’s an inherently subjective concept: one woman’s utopia is as likely to be another’s dystopia. Bregman’s prescriptions will please those of a liberal, cosmopolitan and mostly progressive bent. His ideal world would include more open borders, a 15-hour work week, less inequality, and fewer “bullshit jobs” (by which he seems to mean primarily those in the financial sector). His most important (or at any rate overarching) idea appears to be a call for a universal basic income — “free money”, as he puts it, that would be distributed to every citizen, without means testing and without attached conditions (for example, the requirement to work or look for work).

The notion of a guaranteed income for all may appear counter-intuitive, even heretical in an era marked by anxiety over rising deficits and creaking welfare states. Opponents of the idea also worry that no-strings-attached free money could reduce incentives to work. Bregman is relatively sanguine about costs, suggesting, alternatively, that a universal income would be cheaper than existing welfare programmes, or that it could easily be paid for by new taxes on “assets, waste, raw materials, and consumption”. Concerns about incentives are similarly unfounded, he argues, relics of old, patronising thinking about poverty and welfare.

The book includes a variety of empirical evidence to suggest that cash handouts do not, in fact, make people less likely to work. In many cases, they actually increase labour activity, for example by providing recipients with the financial security to quit unfulfilling jobs and launch entrepreneurial ventures. Bregman is at pains to dismiss stereotypes of the poor as lazy or unmotivated. As the economist Joseph Hanlon (whom Bregman quotes) phrases it: “Poverty is fundamentally about a lack of cash. It’s not about stupidity . . . You can’t pull yourself up by your bootstraps if you have no boots”.



Bregman is a champion of the randomised control trial (or RCT) in social sciences research; this increasingly popular approach to evaluating policy interventions borrows its method from the field of medicine. He cites a number of small-scale trials and experiments that indicate the many possible benefits of cash handouts. In countries as diverse as Canada, Brazil, Kenya, Namibia and Mexico, universal income schemes have been linked to reductions in malnutrition, crime and child mortality, along with improvements in indicators of education, equality and economic growth. Advocates also make

several ethical arguments, pointing to the social and moral imperatives of providing citizens with an income floor at a time of rising concern over automation, structural unemployment and growing inequality. “This wealth belongs to all of us,” writes Bregman. “And a basic income allows all of us to share it.”

Bregman may be a particularly enthusiastic evangelist, but he is hardly the first to promote a universal income; the idea has a long, and in many ways somewhat surprising, pedigree. Thomas More, the godfather of utopia, envisioned something like a guaranteed income for the residents of his idealised world. Versions of the concept have also found favour among thinkers as varied as John Stuart Mill, Thomas Paine, Friedrich Hayek, Milton Friedman and John Kenneth Galbraith. In the late 1960s, no less a conservative stalwart than Richard Nixon presented a basic income bill, labelling it “the most significant piece of social legislation in our nation’s history”. It passed the US House of Representatives before dying in the Senate.

The idea subsequently fell out of vogue, obscured by Reaganite-Thatcherite pieties about meritocracy, hard work and individual responsibility. But it has recently returned from the fringes to the centre-stages of policymaking, once again a respectable option backed by influential figures on both the left (who like its egalitarian impulses) and the right (who find it less paternalistic than the

welfare state). Several European countries — including Finland, Netherlands and Switzerland — have seriously considered some version of a guaranteed income scheme. This year, India hinted at plans for its own programme. In many ways, the idea seems particularly well-suited to our fluid political times, cutting across existing ideologies and affiliations. Precisely because the benefit is universal, it appears to have widespread political acceptability. In Bregman's pithy — and characteristically theatrical — phrase: "Basic income: It's an idea whose time has come."

Universal income schemes have been linked to reductions in malnutrition, crime and child mortality

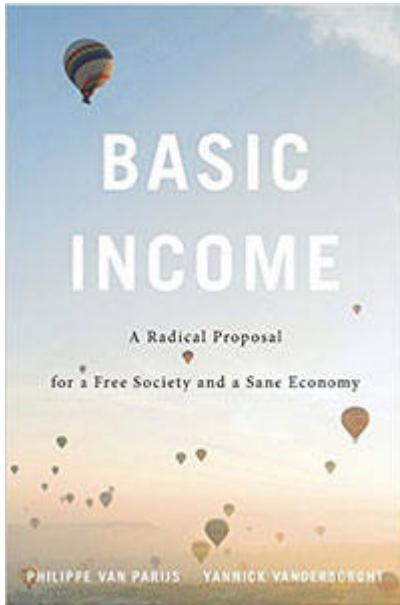
*Utopia for Realists* is replete with similarly punchy sentences and catchy slogans. The book is in many ways less a comprehensive study than a political pamphlet — a clarion call to action, an attempt to galvanise the masses in

service of a new world order. "If you can't explain your ideal to a fairly intelligent twelve-year-old . . . it's probably your own fault," Bregman writes. "What we need is a narrative that speaks to millions of ordinary people."

A somewhat more sober analysis can be found in *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*, by Philippe Van Parijs and Yannick Vanderborght, two Belgian academics who, like Bregman, seek to break out of the strictures of conventional thinking. Where Bregman's analysis is broad, Van Parijs and Vanderborght go deep, focusing exclusively on a universal guaranteed income and examining a range of philosophical, practical and political arguments for and against it. In considered, often enlightening, prose, they delve into John Rawls, Ronald Dworkin and Amartya Sen. They look at a number of alternative schemes; they discuss various objections to guaranteed income programmes, including those over cost, free riding, and the possibility of diminished incentives.

Van Parijs and Vanderborght are idealists, utopian in their own way. But they are more guarded than Bregman about the prospects for total overhaul. Whereas Bregman writes of "revolution" and "making the impossible inevitable", the





Belgian authors believe a universal income is only likely to come about “through the back door” and with the aid of “Machiavellian thinking”. They are also more circumspect about the costs of such a scheme, advocating a “cautious gradual approach” that would advance the ultimate goal through incremental steps like more generous child benefits and pensions, or subsidies for volunteer workers. Still, although these books take different routes, they arrive at pretty much the same destination: a conclusion that the current

bleak situation is more structural than cyclical, and a conviction that radical new ideas are required to break out of the straitjacket in which much of the western world finds itself.

Reading these books — especially Bregman’s — gives rise to conflicting reactions. On the one hand, the guiding impulse and ambitions are clearly worthy, perhaps noble. But even a sympathetic reader (like this one) can’t help feeling that there is something a little anachronistic, not to mention unrealistic, about proposals to effectively widen government support, increase taxes and more fully open borders in an era of Trump and Brexit. Unrealistic is, of course, a word that makes utopians bristle, and it’s probably true that impracticality is a facile charge to throw at schemes that by definition seek to reimagine reality. “Calling my ideas ‘unrealistic’ was simply a shorthand way of saying they didn’t fit the status quo,” writes Bregman. “The best way to shut people up is to make them feel silly. It’s even better than censorship.”

So perhaps the best — or at any rate most generous — way to approach these books is with a certain wilful suspension of scepticism. The contribution of utopian thinking is rarely in its particulars anyway; blueprints for change, as Bregman himself acknowledges, have a way of collapsing in the face of human complexity (or, worse, turning into totalitarian nightmares). The real value of utopian thought is that it forces us to confront the present, and to at least acknowledge the need for a very different future. In this sense, these books are

more interesting as diagnoses than prescriptions: they tell us we're at an impasse, and they make a compelling — even devastating — case for the insufficiency of business as usual.

**Utopia for Realists** (<https://www.amazon.co.uk/gp/product/1408890267?ie=UTF8&camp=1634&creativeASIN=1408890267&linkCode=xm2&tag=finantimes-21>): **And How We Can Get There**, by Rutger Bregman, *Bloomsbury*, RRP£16.99, 336 pages

**Basic Income** (<https://www.amazon.co.uk/gp/product/0674052285?ie=UTF8&camp=1634&creativeASIN=0674052285&linkCode=xm2&tag=finantimes-21>): **A Radical Proposal for a Free Society and a Sane Economy**, by Philippe Van Parijs and Yannick Vanderborght, *Harvard University Press*, RRP\$29.95, 400 pages

*Akash Kapur is author of 'India Becoming: A Portrait of Life in Modern India' (Riverhead), and is working on a book about utopia*

*Photograph: Reuters*

---

Print a single copy of this article for personal use. Contact us if you wish to print more to distribute to others. © The Financial Times Ltd.

---

## Latest on Economics books

beyondbrics **Gabriel Wildau**

### China reveals faults in western economics model

How do filial piety and state-owned enterprises affect mainstream theories?



**FT Books Essay**

## Do we need a new kind of economics?

For critics, the discipline is beset by flawed models, obscure jargon and undeclared ideology — but it doesn't have to be that way

---

FT Books Essay **John Gapper**

## Power people in Davos: some are more somebodies than others

John Gapper assesses two books that reveal the sometimes less-than-glittering reality of life with the global elite



---

## Latest in Books

Review **Non-Fiction**

### ‘Why Wall Street Matters’ by William D Cohan

Did the regulatory response to the financial crisis go too far?



**US Society**

### Auction for Obamas' book deal tops \$65m

Penguin Random House wins bidding war for memoirs by former president and first lady

---

**How to Spend It**

### Literary trails and boutique hotels in lesser-known Mallorca

A rich new literary heritage route dotted with delightful small hotels

---

---

Follow the topics mentioned in this article

---

**Books**

---

**FT Books Essay**

---

**Life & Arts**

---

**Universal basic income**

---

[Take a tour of myF](#)