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Imagining Basic Income as an International and Domestic Remedy to Wealth Inequality

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IMAGINING BASIC INCOME AS AN INTERNATIONAL AND DOMESTIC REMEDY TO WEALTH INEQUALITY

By

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ABSTRACT

Imagining Basic Income as a Domestic and International Remedy to Wealth Inequality

By

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Has the success of corporate capitalism undermined the neoliberal ideas it presupposes, leading to the inevitable growth of socialism? While labor unions may lament the export of jobs, the real issue in today's increasingly administered and mechanized economy is the *global* loss of jobs. James Ferguson has provided a strong argument that despite the triumphalist narratives of neoliberalism, capitalist development strategies particularly in South Africa have resulted in concentrated wealth, large unemployment, and the growth of transfer payments. More importantly, he shows how traditional critics of capitalism fall short in addressing the issues of a jobless future. For example, Marxists lack the ability to envision production dissociated from distribution. Other critics of neoliberalism provide little less than their criticisms, offering no real remedies. Surveying the sources of poverty and wealth inequality in Southern Africa has real implications for poverty policy in the US, as there exists a common structural mechanism in global capitalist relations. The successes and failures of redistribution models abroad can serve as a useful tool in imagining a future where full employment becomes more and more of a distant fantasy due to both global trade and automation of labor. Basic Income Grants have emerged in the political discourse outside of the US in both the North and South. Likewise, in the aftermath of the global economic crisis of 2008, Conditional Cash Transfers have grown throughout Latin America, Africa, with

some experimentation even in the US. The success of cash payments worldwide in efficiently and effectively relieving poverty provides possible rebuttals for those that claim that handouts create a lazy, unmotivated labor force. It will be imperative for the US to begin to imagine the more democratic ideals inherent in transfer payments. Can a political solution based on a distributive economy develop in the US? This paper will attempt to make a case for such an argument. A look at the structural transformations of capitalism in the 20th century will reveal how neoclassical, neoliberal and Marxist models fail to meet the unique economic conditions of the US in the 21st century.

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Wealth inequality and its continued growth in the 21st century is not just a rights issue but is in fact a threat to the continued growth of capitalist production.[1] An examination of inequality in Southern Africa can and will inform domestic inequality, as I will argue that the economic structures that produce poverty in Africa and the US are one in the same. The neoliberal vision that has led global development since the 1980s has been highly effective in creating wealth but has similarly been blind to the realities of suffering in the Third World. Neo-Marxists and World-Systems theorists very capably outline the economic structures that produce inequality and rightly consider capital accumulation from the periphery to the core of the global economy as the root cause of poverty. For neoliberals, distributive economics denies individual freedom, initiative to produce, and social mobility; taxation required for transfer of wealth, limits supply side investment and therefore growth. However, development of US capital and its effects on the global economy has not best supported the ideals of freedom at home or abroad, but instead has resulted in the unintended growth of socialist structures, be they transfer payments or prison sentences. In order to avoid unpredicted, chaotic structural changes in capitalist relations, more mindful alternatives must be imagined, most promisingly a universal basic income, UBI.[2] A UBI could guarantee the efficient production of wealth,

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[1] See Joseph E. Stiglitz, *The Price of Inequality: How Today's Divided Society Endangers our Future* (WW Norton & Company, 2012).

[2] The Basic Income Earth Network (BIEN.org), defines Basic Income using the following conditions; Basic Income is 1. Periodic: it is paid at regular intervals (for example every month), not as a one-off grant 2. Cash payment: it is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use. 3. Individual: it is paid on an individual basis—and not, for instance, to households 4. Universal: it is paid to all, without means test. 5. Unconditional: it is paid without a requirement to work or to demonstrate willingness-to-work.

while guaranteeing as a right, the opportunity for all to participate in global capitalist relations. It may in fact provide for the ideals of neoliberalism by providing a stronger foundation for the ideals of liberty, social mobility, and individual initiative. At worst it can prevent tendencies toward less healthy socialization in the form of nationalization and malign corrections in wealth inequality through war or crime.

The Causes of African Poverty; International Relations as Capitalist Relations

We in "the West" are consistently confronted with images of poverty from the underdeveloped world, yet rarely does the journalistic dialogue shift from that of humanitarian aid to the root causes of such poverty. Understanding how global economic relations work in contributing to or the alleviation of poverty would be a more pragmatic approach. Though Development Theory has certainly gone out of favor, it is important to revisit such a model as its successor, Globalization, takes up much of the same forms under a new name.[3] Work on the periodization of capitalism will reveal the importance of the household and household demand in the development of capitalist markets. It also underscores the role of primitive accumulation, both arenas that have been neglected in the investment strategies of the World Bank and IMF. Most importantly we find that International Relations are capitalist relations. In the global economy, accumulation of capital transcends the role of states, creating inequalities of wealth that apply as much to the Third World as working-class Americans.

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[3] Immanuel Wallerstein, *The Modern World-System I: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century, with a new prologue*. Vol. 1. (Univ of California Press; 2011).

A large body of empirical work seeks to explain the "underdevelopment" of many African states through the undeniably injurious history of slavery and colonialism.[4] Such considerations are necessary but do not adequately explain the continued persistence of poverty in Africa, a poverty that has endured despite the promises of capitalist economic development. Unfortunately, as Branwen Gruffyydd Jones points out, International Relations and Development Studies have failed to adequately examine global capitalist structures, instead focusing on local agency and issues of statehood.[5] Development Studies perpetuate the Modernization Theory that outlines a binary system of traditional and modern societies. The traditional society under such a model consists of a subsistence-based agricultural economy, kinship-based politics that emerge from large extended family bonds that are highly stratified, and a largely impoverished low-skill work force; while the modern "developed" model consists of an industrialized economy with working capital, pluralist political systems, and smaller nuclear family relations that are highly skilled and flexible in the labor market, consuming high levels of material goods.[6] Such a model tends to influence our reactions to poverty and purport a kind of timelessness to capitalism, or wrongly attribute development to the growth of trade. Developing economies in Africa are then treated more like juvenile states that need intervention from the paternalistic developed states, including most recently, neo-liberal solutions.[7] However, imagining local poverty as crises of statehood denies both the

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[4] See Grier (1999); Englebert (2000), Acemoglu, Johnson, and Robinson (2001, 2002); Bertocchi and Canova (2002), Lange (2004).

[5] Branwen Gruffydd Jones, "Africa and the poverty of international relations," *Third World Quarterly* 26, no. 6 (2005): 987.

[6] Ibid., 988.

[7] The World Bank's response to the dire economic condition in Mozambique in the 1990s provides a clear example of the West working to help alleviate poverty in rural areas

globally structured causes of poverty in African states and our understanding of how successful capitalist states formed in the West in the first place. Even if we can find a path for economic development that can transition developing economies into robust capitalist economies, adopting Kuznet's theory of capitalism's contribution to latent but eventual growth in wealth equality, would it not be worth examining the conditions of transition to capitalism in Europe and apply that knowledge?

The neoliberal approach assumes that Smithian economic growth, self-sustaining through the guidance of the invisible hand, will naturally progress when unfettered by the interference of state imposed barriers, e.g. taxes, tariffs, rents, nationalization. James Livingston nicely summarizes the economic philosophy that currently informs US and global policy through the following four assumptions; that growth is the result of private investment in the free market, that such capital investments are funded by household savings and corporate profits; social mobility, personal initiative, and individual freedom are best achieved through said growth in the free market, as the distribution of resources is not fettered by the state. This means that tax cuts should support higher savings and profits through greater investment.[8] So we find that despite the acclaim of free market forces, the political community maintains particular property relations that do in fact redistribute income. Brenner's definition of social-property relations is useful here; "relations among direct producers, relations among exploiters, and relations between exploiter and direct producers, that taken together, make possible/specify the regular

through the state via Trans National Corporations, resulting in unequal exchange rather than a means to production.

[8] James Livingston, *Against Thrift: Why Consumer Culture is Good for the Economy, the Environment, and Your Soul* (Basic Books, 2011).

access of individuals and families to the means of production (land, labour, tools) and/or the social product per se."[9] Is it possible that the neoliberal model of the international economy is based on ahistorical fantasies about Smith's free market? Brenner makes a strong case that the growth of towns or trade or merchant capital alone did not constitute the break from the feudal social property relations. What constituted capitalist property relations was the move away from subsistence to market dependence in the agricultural sector.[10] In fact, we can find examples where increased trade resulted in increased economic coercion, such as when the demands of early towns and cities in Western Europe helped to entrench feudal bonds in Eastern Europe and continued enslavement in the southern US. If capitalist social property relations are constituted by market dependence free of coercion, and we look at the classical model of investment based growth as leading to excesses in capital that in turn spur income inequality rather than the "lifting of all boats", then we have a material history that begs to examine a politics that considers guaranteed income as a right for all. As the periphery becomes less defined by national borders and as global and national wealth inequality widens, basic income would provide a right to participate in the system in which one is dependent whether they are the working poor in the US or the unemployed in Namibia. Property relations, real wages, household production, and primitive accumulation all provide insights into how England made its transition to a productive capitalist economy. Application of such conditions to developing nations may in fact reveal why some economies are more successful than others in making such a transition.

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[9] Brenner, "Property and Progress; Where Adam Smith went Wrong" (2007).
[10] Ibid.

In *The Myth of 1648* Benno Teschke highlights the shortcomings of IR theories while addressing the transition debates. Teschke takes great pains to argue that absolutist states, though appearing modern in their apparent political unity, especially through their ability to negotiate treaties such as that of Westphalia in 1648, were not modern capitalist states and therefore not historically the beginning of international relations. He claims that modern international relations are relations of capitalism, and thus did not develop in one historical moment, but evolved over time as capitalism developed first in England, later spreading into northern and Western Europe, and eventually into the periphery. According to Teschke, one cannot ascribe the initial wealth disparity found in the World-Systems theory to capitalist exploitation because the initial relations were rather merchant capital relations. As mercantilist trade did not create wealth, but rather exploited profit through trade, Teschke would argue that modern international relations were not being practiced and would not be until old political forms met their end in World War I. In examining the persistence of poverty in Southern Africa, it would be helpful to dispel the myth that all market relations are capitalist relations. Thus we can see that neoliberal policies may or may not stimulate effective transitions to strong capitalist structures.

Teschke seeks to prove that mercantilist trade in the early modern world was simply an extension of medieval practices. In addition he makes the bold claim that it, "…not only failed to establish a new logic of international economic relations… …it did not even generate any unintended consequences which would have pushed this system in the direction of modern capitalism and thus modern international relations".[11] Teschke is satisfied with an acknowledgment from Dobb on the matter. He rightly points to how

[11] Benno Teschke, *The Myth of 1648: Class, Geopolitics, and the Making of Modern International Relations* (Verso: 2003), 205.

trade brought a revival of serfdom in Eastern Europe and slavery in the South. There are many possible outcomes of trade and as Dobb would argue, trade does not equate to capitalism.[12] However, one of the apparent outcomes as argued in the William's thesis, most persuasively by Barbara Solow, is that the resulting enterprises did create the possibility of primitive accumulation.[13] As Marx points out, "Britain was accumulating great wealth from the triangular trade. The increase of consumption goods called forth by that trade inevitably drew in its train the development of the productive power of the country. This industrial expansion required finance. What man in the first three-quarters of the eighteenth century was better able to afford the ready capital than a West-Indian sugar planter or a Liverpool slave trader?"[14] Even though mercantilist practices were not capitalist, the accumulation of wealth from the periphery to developed states was an important component in the development of international capitalist relations as it provided the necessary primitive accumulation of capital.[15] This is no small point that is problematic for the understanding of modern international relations. The accumulation of wealth from the periphery to the core as described in Wallerstein's world-systems theory continues to be of relevance when explaining the success or lack thereof in transitions to capitalist systems.[16] Likewise developing nations, or more precisely local rural economies, have no modern equivalent in primitive accumulation other than in the form of foreign investment, investment that history has shown can be ruthlessly burdensome.

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[12] Maurice Dobb, "Studies in the Development of Capitalism" (1948).
[13] Barbara L. Solow, "Caribbean slavery and British growth: the Eric Williams hypothesis," *Journal of development economics* 17, no. 1 (1985), 99-115.
[14] Karl Marx and Friedrich Engels, *The communist manifesto*. (Penguin, 2002), 80.
[15] see Eric Williams, *Capitalism and slavery* (UNC Press Books, 2014).
[16] Wallerstein, "After Development and Globalization, what?" *Social Forces* 83, no. 3 (2005), 1264-1265.

To deny that primitive accumulation was not an important aspect in the development of industrial-capitalism obscures an important aspect of development, one that has been withheld from the non-Western world. Without the necessary local accumulation of capital in Africa, it will not come as a surprise that the injection of capital from the West for development projects did not solve poverty issues in Africa, but even contributed to decreases in wealth and increases in wealth inequality.[17] As Jones points out, "…the West developed at the expense of the Third World, producing underdevelopment as the other side of the coin of development… … Rather than bringing the assumed benefits of injection of capital and technology to assist the development of the Third World, foreign capital in the form of TNCs was shown to exploit their advantages by gaining from the availability of cheap labour-power and raw materials, while exporting the profits to the metropole and manipulating costs, tax and profits through transfer pricing."[18] Not only has foreign capital failed to alleviate poverty, but its benefits have fallen to a small minority, entrenching class divides and factionalism.[19] Thus social stratification, which was considered a natural state in Development theory, was in actuality a result of the global economic structure.

When considering periodization of capitalism in the West, we also find the argument that the household, not mercantilist trade, provided the basis for a consumer market of goods beyond basic necessities.[20] Can understanding the changing property relations of 17th century England help us to better evaluate the success of unconditional

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[17] See Biersteker (1978), Evans (1979), Villamil (1979), Jones (2006). p 34.
[18] Branwen Gruffydd Jones, *Explaining Global Poverty: A Critical Realist Approach*, (Routledge, 2007), 34.
[19] Ibid.
[20] Jan De Vries De Vries, *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the present* (Cambridge University Press, 2008).

cash grants in Namibia? I believe so, especially if we value the growth of a domestic market and do not simply view development through the lens of export trade. The role of the pre-industrial household economy as the source of initial capitalist growth justifies a further examination. Jan de Vries describes an "Industrious Revolution" that eventually produced household demand for what he labels, Z-commodities, goods that cannot be purchased efficiently on the market alone but require some kind of domestic inputs.[21] The industrious activity within the household in turn pushed the supply and demand of products of household consumption and proto-industry. This self-interest of the family, places the household not only as a driver for the emergence of the industrial economy, but for the self-determined emergence of the accompanying breadwinner household.

The premise of the Industrious Revolution requires de Vries to confront some long-held assumptions, specifically about the nature of consumption and the catalysts of change in the consumer household. He challenges social scientific models, as provided by the Frankfurt school for example, that see consumerism leading to social decay, creating a product similar to Max Weber's *Genussmensch ohne Herz* in the "one-dimensional man"; this, "alienated worker, once wrenched by capitalism from a traditional culture, loses all self-control and develops a voracious appetite for goods and an insatiable need for fantasy, distraction and ostentatious play."[22] However, de Vries questions this lamenting of consumer culture, and points to the industrious revolution as a possible earlier periodization of consumption based upon self-interest. As opposed to the "Old Luxuries" which strove for grandeur unobtainable by the vast majority of the population, the "[New Luxuries] served more to communicate cultural meaning,

[21] Ibid.
[22] Ibid.,41.

permitting reciprocal relations- a kind of sociability- among participants in society."[23] The New Luxuries were therefore not drains upon the masses, but incentivizing social rewards for increased production and consumption technologies in the household. It was, according to de Vries, the shared cultural desire for Z-commodities that inspired the agricultural specialization, proto-industrial production, wage labor, and commercial service that would help to overcome the initial high costs of market transactions. It is not the demise of culture, but rather the expansion of cultural influence to the masses that brings about a modern economy of growth. As such, it was not technological innovation or political authority that imposed the new model, but rather a development of work performed out the self-interest of the household. As we have seen, the neoliberal policies of the 80s and 90s, that sought to devalue the currencies of the global South with an eye toward export production, enforced what we could call the "Old Luxuries" of today, products for First-World consumption. Rather than supporting a growing domestic market where average households could willingly and freely enter into the market, decreases in the value of local currencies dis-incentivized participation in the market as depressed currencies led to high prices. Such changes are described by local experience in Mozambique, a state often hailed as the model success story for neoliberal policy.

> …before during the colonial period, you could go and take fifteen kilos of cashew to the shop, and receive two and a half esucodos, and these tow and a half man, trousers for the children and some other things, like cooking oil – with this tow and a half escudos. But now, taking fifteen kilos of cashew to the shop, you

[23] Ibid., 45.

> could get more or less 150,000 meticais. But these 150,000 meticais are not enough to buy these things, which you could buy with two and a half escudos… … So someone to buy a bar of soap, for example, which costs, 10,000 meticais, you have to take a lot of produce, because when you take one kilo it is not enough to buy a bar of soap. Because the price of a kilo of groundnut is very low, so you have to take many kilos of groundnut in order to be able to buy just one bar of soap.[24]

Other contributors to the transition debates, such as Robert Allen, argue that rather than enclosure acts leading to market-oriented production in the agricultural sphere, just the opposite took place; farmers, enamored by the ever expanding selection of goods, looked for ways to produce efficiently for the market in an attempt to gain more purchasing power.[25] If we can entertain such notions, not only do the flaws of colonial policy become more apparent, such as those that assumed taxation would incentivize would subsistence farmers to join the market economy, but we also see that export oriented neo-liberal policies have not supported the freedom and development of wealth in the developing world. They rather simply provide for the accumulation of capital in the developed world. If not for the moral dilemma of giving away money, non-conditional cash grants would be seen clearly for what they can provide; an initial supply of primitive capital in the hands of household producers and the access to partake in demand.

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[24] Jones, *Explaining Global Poverty,* 174.
[25] Robert C. Allen, *The British Industrial Revolution in Global Perspective* (Cambridge: Cambridge University Press, 2009).

The Growth of US Capital

The so-called humanitarian efforts on behalf of Western powers often come with reciprocal obligations, leading those like Jones to describe neoliberal policy as neo-colonialism. In the Neo-Marxian view, Dependency theory, and Wallerstein's World-Sstems theory, the periphery and semi-periphery contribute to the accumulation of capital for the core. One might argue that the growth of capital has served as a constraint upon endogenous growth, as local supplies of "New Luxuries" are disregarded in the push to produce the "Old Luxuries" for developed markets. Additionally, the core and periphery are not necessarily distinguished through national boundaries in the global economy. Therefore, the same structures that are responsible for global inequality, between the North and South per se, are fueling national inequality in the US. The structural changes that led to the mass export of capital were not just a product of the debt crises of the 1970s, though this is a significant history that will be addressed. One must look first to rise of corporate capitalism in the late 19th and early 20th century. Here we find that the growth of US capital was also the beginning of US economic imperialism. Interestingly, we similarly find that such structural changes were not simply a result of Laissez Faire economics, but a politics of cooperation between labor, capital, and government.

In *The Corporate Reconstruction of American Capitalism, 1890-1916,* Martin J. Sklar proposes that, beginning in 1890 with the passage of the Sherman Anti-trust Act until Wilson's first term with the creation of the Federal Reserve and the Federal Trade Commission, a corporate-capitalist movement served to transform the political-economic order of the US from proprietary competitive-capitalism to corporate-capitalism. The rise of corporate power in administering markets was the result of a social movement that transcended the traditional socio-economic boundaries of pro-corporate and pro-competition camps. Nor did this revolutionary transformation take place behind the scenes. The regulatory actions under Roosevelt, Taft, or even Wilson were not latent responses to corporate power, but the product of debate and actions not only against monopolistic oppression but also inclusive of small-producers fears of competition, labor's struggle for representation, and the political ideology of populists, socialists, and progressives alike. It was not an inevitable result of some kind of economic evolution. As Sklar states, "The passage of capitalism from its competitive stage to its corporate stage… …therefore was not simply a matter of submission to "objective" laws of economic evolution… Rather, their advocacy of changes in the law, policy, and government was, like the corporate reorganization of property and market relations itself, an integral component of the social-political movements effecting the corporate reconstruction of American capitalism."[26] While the anti-trust debates of the early 20th century characterize the ideology, Sklar presents what he calls corporate-liberalism as the outcome of the progressive movement as defined through statist terms by Roosevelt, non-statist judicial regulation by Taft, and a non-statist regulatory solution under Wilson.

Sklar examines the transformation of American capitalism through the lens of the judicial, legislative, and executive actions of the period. The judicial interpretation of the Sherman Act serves to portray the progression of corporate-capitalism on a non-linear trajectory as the courts initially, from 1890-1897, interpreted the Sherman Act through a

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[26] Martin J. Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916,* (New York: Cambridge University Press, 1988), 12.

common law lens that protected the property rights of corporations so long as the administration of markets e.g. price fixing, were not deemed unreasonable. It was not until 1911 that the court renewed its commitment to categorizing reasonable versus unreasonable restrictions of competition after the Harlan led court refused to do so. The Rule of Reason decisions of 1911, "embodied the policy of allocating to private parties the primary role, the initiative, in regulating the market, and to government, through executive oversight and judicial process, a secondary reactive role."[27]

Sklar examines the distaste for the Supreme Court rulings regarding the Sherman Act on behalf of "virtually every organized group in the marketplace." His detailed, impressive work on the legislative debate, centered on the attempted passage of the Hepburn bill, creates a sound basis for his claim that the move towards a progressive accommodation of corporate-capitalism spanned class and politics. According to Sklar, "No more than large-corporate capitalists did trade unionists or small producers (whether farmers, manufacturers, or merchants) want to be bound by the choices dictated by the Supreme Court, namely, either unrestricted competition or statist direction."[28] His treatment of the bill likewise revealed fascinating aspects of Roosevelt's political strategy, but more importantly exposed the political disapproval of a statist agenda that allocated a senior partnership in business to the public sector.   Sklar shows how even Roosevelt's commissioner at the Bureau of Corporations, Herbert Knox Smith was uneasy with the reach of executive power as envisioned by Roosevelt. To generalize, American people wanted a form of state regulation that maintained a traditional yet evolving ideal of natural-liberty. It is in his assessment of the executive in which one

[27] Ibid., 169.
[28] Ibid., 203.

finds the clear distinctions between the three Progressive administrations of Roosevelt, Taft, and Wilson; the later finally able to establish a regulatory agency that, while providing the private sector freedom in market administration, had sufficient power along with the judiciary to guide and regulate corporate-capitalism. "… the corporate-liberal outlook went with the older American grain in being economic-determinist, acquisitive, materialist, instrumentalist, pragmatic, simultaneously idealist, altruist, and moralist – almost, one might say, latter-day Emersonian and Whitmanesque in spirit."[29] The resulting reorganization of government-market relations not only set the political terms of debate for the following century but, "…established the fundamental conditions of… …the mass culture society and also as the organizational or bureaucratic society with its concomitant rise of a professional, managerial, and technical middle class."[30]

Sklar's periodization of corporate capitalism from 1890 to 1916 is the concurrent rise of US capital from which economic imperialism arose as a solution to the capital crises experienced in industrial competition. He argues the theory of modern capitalist imperialism as the result of surplus was not simply a Marxist theory but an inherently American ideal. He points to Conant and Reinsch who formulated the "Open Door" strategy that proposed what would be considered a rather neoliberal idea today, that global investment could bring economic cooperation and serve as a tool of diplomacy. In an administered market, surpluses in capital should be mitigated lest they bring diminishing returns. Global investment found a home for such surplus. Likewise global capital investment overseas could then be seen as a new form of progress, bringing

[29] Ibid., 437.
[30] Ibid.

republican ideas to the underdeveloped world; he offers the image of a new "West" coinciding with the culmination of continental western expansion.

Thus in Sklar we find some key points in understanding globalization and wealth inequality. We see that economic forces do not work independently, but are dependent upon the social, political forces that establish the "rules of the game". In this case, the progressive movement that resulted eventually in Wilsonian liberalism, providing a path for the inevitable growth and conglomeration of big business through a non-statist regulatory role for government. Thus labor and management were guaranteed a piece of the pie, providing for a strong middle class in the subsequent years. Critics of Wilsonian liberalism feared that the states secondary role in regulation would lead to a state dominated by corporate interests. Already in 1886, Santa Clara redefined the corporation as having certain rights of personhood at least concerning the 5th and 14th Amendments. By 2010 Citizens United guaranteed freedom of speech to corporations, perhaps the most symptomatic sign that Roosevelt was justified in his statist beliefs. However, through such a restructuring and administration of markets, the US was able to initiate the most equitable period of its history while maintaining strong economic growth from the end of World War II to the 1970s. Thus one is confronted with the question, what changed in the 1970s that brought an end to the golden age of the American middle class?

One response would argue that the US too often sacrificed it own economic interests in the post World War II era for interests of the state department's global strategic policy. Such policies were then replayed in the post-Cold War Era in the interests and hopes of the financial industry.[31] As the US sought to spread its influence around the globe in the face of the threat of Communist expansion, ever increasing numbers of US dollars found their way overseas. Beginning with the Marshall Plan, US investment abroad in Germany and Japan subsidized production that would undercut US industry, beginning the eventual transition of the US from a net exporter of goods to a net exporter of debt. With the dollar tied to the gold standard, the export of US capital was limited as any nation could "cash-in" its dollar supply for gold. Eventually, through the Bretton Woods agreement, Nixon freed the dollar from the gold reserves, allowing it to float on the free market. Now debt held by foreigners would come in the form of Treasury Notes. Thus the US was able to establish its currency as the global reserve currency, achieving its geopolitical strategic interests at the cost of the manufacturing sector. The oil crisis of the 1970s, combined with the devaluation of the dollar lead to increases in oil prices. The cost of oil was felt hardest by Europe and Japan, as the US funneled the OPEC "petro-dollars" back into the US through arms sales and finance, fueling the supply of global capital.[32] Therefore we find the roots of inequality in the developing world and in developed nations linked. US manufacture was "cannibalized" for the sake of a future of finance as US debt was leveraged as a tool for global strategic interests, propelling speculative investment in Third World markets and creating the newest version of colonialism through neo-liberal ideology.[33] Financially driven investment looked to volume of trade for short term-minded growth rather than investing

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[31] Judith Stein, *Pivotal Decade: How the United States Traded Factories for Finance in the Seventies* (Yale University Press, 2010).
[32] Jones, *Explaining Global Poverty,* 158.
[33] Michael Hudson, *Super Imperialism-New Edition: The Origin and Fundamentals of US World Dominance* (Pluto Press, 2003), 342; cited by Jones, 158.

in long-term growth for developing nations. The same form of speculative investment fueled the housing bubble of 2007 and 2008 in the US, leading to greater inequalities in wealth. Stein calls it "cannibalistic", Gowan prefers the term, "parasitic". Either way, it is accumulation based on future claims, not a source of new production.[34] The excess capital of the 70s found its way to the solving the liquidity crisis in developing nations under the new neoliberal ideals of "globalization" beginning in the 80s.[35]

The resurgence of growing income inequality in the US and neoliberal trade policies of globalization have correlating origins in the late 1970s and 1980s. Neo-Marxists and World-Systems theorists alike would call it the continuation of accumulation through dispossession. Federal Reserve chairman under Carter and Regan, Paul Volker, initiated a response to the stagflation crisis of the 70s that created the conditions of the neoliberal, globalization policies of the last thirty years. Interest rates hikes and the subsequent demand for dollars, created an artificially strong dollar, which lead to crises in the Third World. Those developing nations were often largely dependent on single commodity exports. The high dollar drove down commodity prices while simultaneously increasing debt burdens. It was through these financial crises that the terms of negotiation subordinated local interests for the demands of global accumulation as negotiated through the IMF and World Bank.[36] Therefore we find numerous examples of seemingly capitalist relations that are actual models of pre-capitalist relations where

[34] Peter Gowan, *The Global Gamble: Washington's Faustian Bid for World Dominance*, (Verso, 1999),159.
[35] Immanuel Maurice Wallerstein, "After Developmentalism and Globalization, What?." *Social Forces* 83, no. 3 (2005), 1264-5.
[36] Simon Clarke, "Capitalist Crisis and the Rise of Monetarism," *Socialist Register* 23, no. 23 (1987).

the economy of the periphery is unable to transition, but rather serves as a dependent state providing accumulation for the core.[37]

Joseph Stiglitz, while advising Clinton stated, "We in the Clinton administration did not have a vision of a new post-Cold War international order, but the business and financial community did: they saw new opportunities for profits."[38] Soon the experience of steel and autoworkers, those that had witnessed their industries undermined by German and Japanese imports, would be shared with the rest of the manufacturing sector. With the signing of NAFTA, domestic capital began to be exported in greater amounts into Mexico and later East Asia. In 1996, $240 billion in private capital flooded developing countries.[39] When Mexico faced a liquidity crisis in 1994 and later when East Asian markets began to suffer from the neoliberal conditions of borrowing, in both cases, the answer provided by the US was not far from the patterns of the Cold War. The US acted alone as the world's central bank, lending as needed. According to Stein, the Fed cut interest rates twice to prop up the "global order".[40] "As Asian exports to the United States rose to facilitate debt payments, more and more US apparel plants closed their doors and moved to Mexico, Pakistan, or China, where wages were lower."[41] Stein argues it was the Fed's low interest rates that drove the growing import market allowing for a ballooning trade deficit that would grow from $198 billion in 1997 to $415 by

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[37] Wallerstein, "After Develpmentalism and Globalization", 1266.
[38] Stiglitz, The Roaring Nineties, 23. Stiglitz, Joseph E. *The Roaring Nineties: a New History of the World's Most Prosperous Decade*. WW Norton & Company, 2004.
[39] Stein, 291
[40] Ibid.
[41] Alfred E. Eckes Jr. and Thomas W. Zeiler, *Globalization and the American Century,* (Cambridge: Cambridge University Press, 2003), 251.

2000.[42] While the financial world reaped the rewards, it was the beginning of a long decline in manufacturing jobs in the US, a sector that has been widely replaced by services. Such a growth in the service sector has contributed to greater wealth inequality.[43] Even if globalization effectively brings down the real price of certain goods, the service sector has been proven to have greater wage inequality than manufacturing.[44] Similarly, the poorest and even middle class Americans have not shared in the benefits of booming financial markets.

It is clear that surplus capital in the US led to speculative investment in developing countries. When those debts could not be paid, US debt served as the reserve currency, as the Federal Reserve kept rates low. The US market, with its healthy consumer appetite, would support the growth of the developing world. In the end, the billionaires benefited and manufacturing was eclipsed by the service industry. As Picketty warns, "If you have free trade and free circulation of capital and people but destroy the social state and all forms of progressive taxation, the temptations of defensive nationalism and identity politics will likely grow stronger and stronger in both Europe and the United States."[45] The neoliberal conditions of development require the devaluation of currency, privatization of industry, and tax policy that encourages capital investment at the expense of labor. It therefore sacrifices social provision for private gain, ignoring demand in favor of supply-side goals, transferring resources from

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[42] Stein, 291.
[43] Branko Milanovic, *Global inequality: A New Approach for the Age of Globalization* (Harvard University Press, 2016), 104.
[44] Ibid.
[45] Thomas Piketty, *Capital in the Twenty-first Century*" (Cambridge: Harvard University, 2014), 539.

consumers to investors.[46] Cheap labor as the source of wealth may in fact prevent transition, instead creating dependency on the core markets that results in a race to the bottom.[47] Wallerstein would point out that it is unreasonable to expect that all nations will achieve a level of economic development as that of Denmark and that gains made in the semi-periphery come at the cost of the core.[48] Milanovic's data, which will be examined further in this work, gives clear evidence that the overall increases of global wealth have come at the expense of the lower middle class of wealthy nations. But World-Systems theorists would point out that the race to the bottom will eventually come to an end as we run out of rural areas in which cheap labor can be exploited, a process Wallerstein calls de-ruralization.[49] He predicts a systems collapse. Successful transitions to capitalist relations can be attributed to various factors including, primitive accumulation, strong wages and the resulting consumer demand, the power of labor to negotiate contract, and as we saw in Sklar's work, social, political, cultural structures needed to administer the market. Basic income may be the easiest way to address such obstacles under the current neoliberal political environment with the least disruption to the productivity of the market while increasing local consumption, labor power, and political action.

[46] Mahmood Mamdani, "A Critical Analysis of the IMF Programme in Uganda." *op. cit* (1994); 128. Jones p. 171.
[47] Charles Tilly, "Globalization Threatens Labor's Rights," *International Labor and Working-Class History*, no. 47 (1995): 1-23. http://www.jstor.org.ezproxy.gc.cuny.edu/stable/27672207.
[48] Wallerstein, "After Developmentalism and Globalization," 1270.
[49] Ibid.

Wealth Inequality in the Global economy

As globalization progresses and the relations of states become more capitalistic, the divisions in society become less dependent upon nationhood and more divided between classes. The costs of production are exported, promoting the growth of capital while lowering consumer prices. However, as we are currently witnessing in the US, eventually real wages decrease, as the savings provided by cheap imported goods are eclipsed by a shrinking consumer base. Within even the wealthiest state, e.g. Germany and the United States, up to a third of the population has zero net wealth or less.[50] Under the Kuznets hypothesis, wealth inequality was a product of low wage economies' transition to more productive industrial economies, but eventually developed economies with higher outputs would experience a reduction of wealth inequality, as did the US from the 1950s to the 1970s.[51] Wealth inequality was therefore a temporary if necessary trend in the development model. However, since the 1980s we have seen a hiccup in the Kuznets trend in the US in which inequality has continued to steadily rise, ranging close to levels seen in 1933, even despite social welfare programs and transfer payments that were non-existent before the Great Depression. The combined forces of technological automation and globalization and the subsequent stagnation of wages over the last thirty years has led to a groundswell of populism unseen since the days of the robber barons. Candidates of both parties in the 2016 election cycle, through Bernie Sanders and Donald Trump, appealed to US skepticism of the global economic benefits for average Americans. Added to this picture, Silicon Valley, perhaps the one prodigy of the US

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[50] Milanovic, 115-122.
[51] Kuznets, "Economic growth and income inequality," *American Economic Review,* 45,(1955) 1- 28.

economy outside of the realm of finance, warns how those jobs, if not shipped overseas, will be lost to automation.[52] For these reasons and others, the idea of a BIG is not simply a "Third World" solution. However, the imagination needed to conceptualize a basic income in Southern Africa can help us better understand a role in such thinking and political discourse in the US.

In strictly macroeconomic terms, the neo-liberals are correct; globalization, consisting of value added supply chains, has provided efficiency of production that has produced clear gains in wealth for the global population.[53] From 1988 to 2008, the largest gains in global real income have taken place for people around the 50th percentile and the top one percentile. While the eightieth percentile experienced the lowest gains, a population that has seen net gains of zero or less. This group is the lower middle class of Western nations.[54] Of the one percent that has seen cumulative gains of nearly 70% over this span, 12% are US citizens. These trends have not showed signs of reversing and can clearly show how total gains around the world or even within the US are possible while decreases in wealth play out for working class Americans. An understanding of how American corporate capitalism played out on the world stage from the 1980s to present should inform the way we imagine the future.

There is a clear correlation between the supply side economics instituted under Reagan and his successors and increases in wealth inequality. Picketty gives an explanation for such a correlation in his book, *Capital.* He rejects Kuznet's theory that states' initial inequalities experienced under industrialization eventually decrease as

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[52] Frederico Pistono, *Robots Will Steal Your Job, but That's OK: How to Survive the Economic Collapse and be Happy* (Federico Pistono, 2014).
[53] Milanovic,11.
[54] Ibid.

wealth increases, pointing to the equality and economic growth from the post-war era. Picketty argues that "normal" capitalist conditions lead to inequality and that the period from 1950 to the 1970s was the exception not the rule. Both malign and benign forces can mitigate typical inequality, e.g., war and its resulting taxation or social programs of the New Deal leading to transfers of wealth. Milanovic is critical of Picketty's assessment as it fails to recognize examples where capitalism resulted in decreases in inequality regardless of said malign or benign forces. What they both agree upon is the excess of capital as a key contributing factor to the growing inequality of the last thirty years. Milanovic takes a somewhat neoclassical outlook, focusing on the role of technology. He likens the Information Revolution to the Industrial Revolution where new wealth formation created disparities in income, as "A rise in the average income opens the "space" for a rise in inequality."[55] Likewise the globalization of capital led to pro-rich policies such as a capital gains tax rate that was lower than that of labor. Milanovic argues that this was policy largely made out of necessity as capital became more fluid and difficult to tax in the global marketplace, thus exacerbating wealth inequality.[56] All in all, it is not difficult to see that the opening of China in the 1980s provided an enormous pool of low-wage labor that eventually enabled the production of low-cost capital goods. These capital goods could then be used to automate production in high wage countries. Such technology would then need to be serviced, designed, and operated by high-wage, highly skilled labor. Milanovic compares this cycle to Robert Allen's hypothesis that credits high wages in pre-industrial England to the resulting

[55] Ibid., 70.
[56] Milanovic, 55.

technological changes that sought to reduce the cost of production, the result being similar wage inequalities.

Perhaps one of the best examples of global corporate practices that embody much of the current dilemma of globalization and inequality is that of Wal-Mart. Wal-Mart braved new territory in logistical efficiency, exploiting labor and suppliers alike in its explosive race to the top of market share. Nelson Lichtenstein reveals what he calls the "Walmartization" of America in *The Retail Revolution.*[57] He describes how Sam Walton and his Wal-mart empire bucked against progressive liberalism in the second half of the twentieth century. Walton succeeded in taking up a commercialization model where the shipping, distribution, retail, and eventually the manufacture of goods were controlled with cost reductions impressed upon each step of the supply chain. He was able to bypass the old distribution warehouses of the first generation box stores with distribution centers that were connected via satellite to real-time sales in the stores. This was done through the universal application of a new technology, bar codes. Eventually Wal-Mart knew more about the items it was selling than the companies own representatives and was able to buy on their own terms for fear of losing Wal-Mart's vast market share. Along with effective use of new technology and despite its "made in the USA" marketing campaigns, Wal-Mart looked to source its products from a low-wage manufacturing economy abroad, namely China. Workers at Wal-Mart in the US were paid minimum and even sub-minumbum wages, often subsidized by federal and state social programs, mainly food stamps. Hours were often less than forty hours a week for hourly workers while salaried workers complained of working 60-hour weeks without overtime benefits.

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[57] Nelson Lichtenstein, *The Retail Revolution: How Wal-Mart Created a Brave New World of Business,* (Macmillan, 2009).

Because of this, Wal-Mart had high employee turnover, becoming a catchall for temporary employment or secondary earners in financial distress.

The result of Wal-Mart's success had an effect across many sectors. Lichtenstein points to the willingness of Wal-Mart to open stores with minimal population density requirements. One town was so small that, like many other examples of Main Street America, its stores were put out of business. When Wal-Mart pulled out of the town, shuttering its own doors, the town literally ceased to exist. Walmartization is felt not only on Main Street, but effects human resourcing in all realms of retail, including other large box stores that must remain competitive. While Wal-Mart was initially proud of its "made in the USA" products, American manufacturing was bypassed in favor of the low wage products from abroad. Wal-Mart pressure on its employees not to unionize has left a large percentage of the retail service sector out of the global supply chain of wealth and therefore unable to participate in the relative gains in spending power. For the rest of the country, the fact that wages have been stagnating since 1980 relative to inflation is less apparent as retail costs remain low.[58] But what about sectors of the economy that cannot be similarly commercialized? Here we find the real value of the dollar diminished, in healthcare, transportation, education, and housing. Is it a coincidence that these sectors provide are our greatest discourse on equality, justice, and human rights? Wal-Mart provides a clear example of how supply-side politics have created an amazingly successful business at the cost of equality. Though these global processes, we have an enormous growth in capital without the matching growth in wages, at least for working-class Americans. A basic income could allow a business like Wal-Mart to continue

[58] Temin, Peter. "The American Dual Economy: Race, Globalization and the Politics of Exclusion." *Institute for New Economic Thinking Working Paper Series* 26 (2015), 76.

current practices, but could as serve as a tool in regulating labor. Whatever our sympathies or antipathies may be toward Wal-mart, a BI could provide a gentle support for labor, providing added power in negotiating contracts with or without a union.

If globalization and automation will create the most efficient means of production in the history of human civilization, its benefits must lift all boats. Too often those on the left blame the loss of jobs or the demise of labor unions. Hillary Clinton and Donald Trump both promised to create jobs as an answer to those that are suffering from under and unemployment in the US. Andy Stern, the former head of the Service Employees International Union had given up on seeing a strong resurgent union movement.[59] If one imagines economic growth partitioned into the two sectors of capital and wages, we find that capital growth over the last thirty years has largely outpaced that of wages.[60] Perhaps this had been true of most of the twentieth century, but as Conant explain, this capital found its way into foreign investment. As incomes in manufacturing economies such as China begin to converge with those of developed states, the cost offsets to consumers shrink, leaving Middle America feeling neglected and poor. The increased wages in China means one of two options. Business can move to the next developing nation e.g., Vietnam, until its economy begins a shift from investment spending to consumption spending, warranting another move (Wallerstein's race to the bottom), until the global middle class may or may not emerge. Or, business can take advantage of the inexpensive production of capital goods, specifically those that enable automation of labor, which reduce or eliminate the need for low-skilled labor. Either way, it is clear that the idea that

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[59] Andy Stern, *Raising the Floor: How a Universal Basic Income Can Renew Our Economy and Rebuild the American Dream,* (PublicAffairs, 2016).
[60] Picketty, 270.

we can look to jobs as an answer in our political discourse is an anachronistic dream. We must find new ways of imagining equality in the 21st century economy. That includes imagining how the growth of household incomes can maintain balance with the growth of capital. In the global-techno economy, the classical model of investment spending creating jobs for the household becomes less and less feasible. How can we keep the benefits of the global supply chain and low labor cost while maintaining equanimity and human freedom?

Milanovic proposes five possible solutions to address wealth inequality.[61] He first looks to taxation and redistribution. While this is perhaps the most apparent approach, the nature of capital in the 21st century has proven difficult tax. One can look to GE as a clear example. In the 1950s GE produced consumer goods for the domestic market, employing hundreds of thousands of employees and paying millions in taxes. Today GE focuses on producing capital goods such as wind turbines for export; such offshore accounts pay little to no taxes to the US government. In 2010 GE made over 14 billion in profits, yet paid zero in US taxes.[62] James Livingston points out for the New York Times that current tax structures focus on wages rather than capital or corporate profits, exacerbating the distribution problem in the US and leading to further inequality.[63] Picketty states that in ideal world, we would have a global capital gains tax, though he admits it is currently a utopian dream.[64] Secondly Milanovic looks to education's role as

[61] Milanovic, 115.
[62] Livingston, Livingston, James. "If Companies Are People..." *New York Times*, April 15, 2013, A19(L). *Academic OneFile* (accessed November 26, 2016). http://go.galegroup.com.ezproxy.gc.cuny.edu/ps/i.do?p=AONE&sw=w&u=cuny_gradctr&v=2.1&it=r&id=GALE%7CA326265128&asid=01e6b6da04de2343daa5a2d542820fe5.
[63] Ibid.
[64] Picketty, 515-539.

a downward pressure on inequality. However, there are assumptions at play here as well. The US has some of the most accessible education in the world, yet has a high Gini index. While often available, the quality of education is inconsistent, and even assuming that we had equal, high quality education for all, where will these jobs exist in the global-techno economy. Erik Brynjolfsson and Andrew McAfee argue that technology has created jobs that we did not have in the past. While the "computer" a person who actually spent hours tallying numbers was replaced by the integrated circuit, we now have the newly created position of data scientist that can analyze the new vast amounts of data computers have been able to supply.[65] It is a nice example, but so far neither the private nor public sector has been able offset current trends in under/unemployment. According to the World Economic Forum Report by the US White House, since 2010 the US economy has been destroying more jobs than it has been creating, largely due to automation. The study reports that you have an 83% chance of losing your job to automation if you make $20 an hour or less, and a 31% chance if you make $21-$40 an hour.[66] Milanovic continues yet unconvincingly argues that dissipation of rents from the exceptionally high growth sectors in the US may combat inequality and that global income convergence may create a global equity that would allow individual states to better address their own wealth disparities. His final speculative argument is that not all technology will necessarily require high skill labor, but may actually be developed to create a cost offset using low skilled labor.[67] However, this argument has no basis in the current economic climate where those with applicable skills are valued and thus often

[65] Erik Byrnjolfsson, and Andrew McAfee, "The Jobs that AI can't Replace," BBC news, 13 September 2015.
[66] Economic Report of the President, "Technology and Innovation; Chapter 5" (2016).
[67] Milanovic, 115.

overworked. Of all these solutions progressive taxation is the least problematic. If the global-techno restructuring of capitalism will produce the greatest wealth and productivity, it will require the buy-in and political will of the citizenry. Of course a Universal Basic Income could be a useful tool; current structures can remain unprotested through the liberalization of transfer payments in a UBI.

Economies of the South

A veteran critic of "development" James Ferguson reveals a somewhat unacknowledged trend in the march toward neoliberal global development, increases in Conditional Cash Transfers in the global South.[68] The idea of simply giving money to the poor has evoked visceral reactions to those who see money as the product of work. However, as Fergusson outlines in his book, more and more in Africa and around the global South, development institutions such as the World Bank have been doing just that, giving "free cash" to ever growing numbers of candidates. Governments have long been in the business of balancing economic growth in the private sector with distribution. In an age when productivity can guarantee basic human rights to necessities, Fergusson asks us to shift our attention from production to the politics of distribution.

In *Give a Man a Fish,* Fergusson highlights the fundamental flaw in development projects in the neoliberal global economy. The old proverb that values teaching a man to fish over simply giving him one, assumes that the problem needing to be addressed is one of knowledge or a lack thereof, rather than the lack of means, e.g. owning a boat. Secondly and more importantly it specifies a problem of production, not being able to

[68] Ferguson, James. *Give a Man a Fish: Reflections on the New Politics of Distribution,* (Duke University Press, 2015), 3.

catch fish. If only the impoverished of a developing nation could partake in the production of goods in exchange for a wage, they could emerge from their state of need. But what if the real problem was not production? In fact, imagine there was already a saturated labor market in the fishing industry and plenty of fish. Distribution is left out of the equation; what the man simply needs is a fish. This simple analogy provides a clear reflection for poverty and development needs in Southern Africa. While the symptoms ring true for many "developing" states, Ferguson focuses on South Africa in particular as a "paradigmatic case" of neoliberal policy.[69]

With hopes to secure the metaphorical fish for the largely unskilled labor force that had been previously relegated to the "homelands", South Africa's post-apartheid democratization provided a political climate that was amenable to the World Band and IMF policies of deregulation and privatization. In what may appear symptomatic of neoliberal progress, South Africa saw rising wealth inequality and surging unemployment. However, reforms also included the end of race barriers for pensions and social assistance programs took shape for the elderly or those with small children. Such programs grew until today some 44% of South African households utilize some kind of cash assistance, which accounts for roughly 3.4% of the nation's GDP.[70] Numerous studies have shown that the benefits of the Conditional Cash Grants, CCGs, have been positive, improving nutritional, educational outcomes and reducing extreme poverty;

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[69] Ibid.
[70] Ibid., 6.

even middle incomes have increased.[71] Other similar results were reported in Ghana and Namibia.[72]

Though the stimulatory effects of the transfers are recognizable as "good old" Keynesian economics, Ferguson distinguishes the CCGs from traditional welfare systems of Northern states. Such programs in the "developing world" seem anachronistic to the West, where social safety nets were a product of an advanced, industrial stage of growth. However, the South African grants were not safety nets; they did not assume to fill a gap in the employment history of an individual on hard times in an economy that assumed full employment. They are non-contributory. Ferguson presents the idea of cash grants as right of citizenship. Such a definition of citizenry is politically plausible in South Africa as the majority of the population was historically dispossessed of the wealth of the nation. As Ferguson points out, millions in South Africa alone have little relevance to global capital. Still deserving of rights, they are a democratic force that will continue to shape the politics of the nation.

In arguing for a UBI, Ferguson is troubled by leftist critiques of neoliberalism; he prefers to focus on solutions rather than simply railing against neoliberalism. He is not averse to employing neoliberal ideology in defense of UBI. Indeed a highly efficient capitalist global economy may require a basic income. One of the chief arguments against a basic income is the idea that government hand-outs create dependency, creating a population dependent upon what Margaret Thatcher coined the "nanny state". But Ferguson promotes BI as a tool to combat dependency, describing it not as a safety net,

[71] Marito Garcia, *The Cash Dividend: The Rise of Cash Transfer Programs in Sub-Saharan Africa,* (World Bank Publications, 2012).
[72] Ibid.

but as a springboard. A minimum income can provide the insurance one needs to make an entrepreneurial venture, freeing them from what could have been an unproductive but safe low-wage job. As a universal grant, the unwieldy bureaucratic machine of a welfare state could be streamlined into an efficiently effective and small form of government, a far cry from the nanny state. Basic income, imagined as a right to share in the total wealth of a nation, provides an alternative to the unintended forms of socialism. Tendencies toward nationalization of industry have been the socialist reaction to the loss of low-wage jobs, creating centralization of power which tends to depend on strong central figures of authority that can must wield enough power to control markets, e.g. Castro or Chavez. Ferguson imagines that BIGs not only effectively deal with distribution issues, but the universal nature of the program eliminates excessive growth and over-reach of the public sector.

The Experiments in the South

By 2008, the mechanisms that helped to establish conditions of inequality in Southern Africa resulted in the experimental remedy of a basic income grant. While cash grants are numerous and loosely regulated in South Africa, there is still one segment of the population that is continually excluded, working age men.[73] However, in a single village in Namibia, the Basic Income Grant Coalition created the first universal cash grant program experiment in Southern Africa. Namibia's relatively recent transition to independence has left it with the material reality of extreme wealth inequality, earning a

[73] The working poor have created a similar obstacle in eliminating poverty in the US as well, providing the impetus for the initial reverse income tax campaigns of the 1970s.

Gini co-efficient of 0.6.[74] Despite a growing GDP, the global economic restructuring has left Namibian breadwinners largely unemployed, along with a youth unemployment rate reaching over 75%.[75] Though the initial proposal of a basic income came from the Namibian government, the Basic Income Grant Coalition has led in implementing and subsequently publishing detailed accounts of their experiment in the village settlement of Otjivero. They are in effect the efficient cause of the creation and implementation of the BIG in Namibia. Their work gives a clear history of the agents and institutions involved in the work. The initial successes of the program have led Namibia's Minister of Poverty Eradication, Zephania Kameeta, to recently claim support for the Basic Income Grant as an essential tool in achieving the ambitious goal of eliminating poverty by the year 2025.[76] Namibia serves as a unique example of how cash transfers could be imagined in redefining property relations in a neo-colonial state.

Specific structures and processes unique to Namibia inform the development of a BIG program and its feasibility outside of southwest Africa. Namibia did not gain its independence until 1990, following one-hundred years of apartheid-colonialism. In fact, the initial colonization of what became known as German South-west Africa after the Berlin Conference in 1884 is considered the first genocide of the 20th century. Many of the perpetrators of the atrocities of the Third Reich found their origins in the ethnic cleansing of the Herero and Namaqua people. The Herero War fulfilled the German need for land as outlined in the Lebensraum Theory. In 1990, this history was clearly relevant

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[74] Herbert Jauch, "The Rise and Fall of Basic Income Grant Campaign: Lessons from Namibia," MANWU, Global Labour Journal, 2015, 6(3), p. 336-338.
[75] Ibid.
[76] "Basic Income Grant to be Submitted for Cabinet Approval," *The Namibian,* 02-04-2016, www.nabibian.com.na/index.php?page=archive-read&id=146993.

as the white population, roughly five percent of the population, controlled over 70% of the GDP while traditional lands were still largely in the hands of the minority population.

Sixteen years after independence, Namibians are still suffering. The Labour Force Survey of 1997 revealed that 34.5% of Namibians who were willing and able to work were unemployed. By 2008, this figure had risen to 51.2%. [77] The World Bank considers Namibia to be an upper-middle income country with a GDP per capita income of $4,700 US, yet according to a study conducted by the University of Port Elizabeth in which poverty was assessed according to what a "basket" of essential goods needed for household survival would look like, 82% of Namibians are living in poverty.[78] A more recognizable number, those living on less than $1 US a day, makes up 62% of the population.[79]

Though wealth inequality was high, as was socialist the rhetoric, during its transition to independence, Namibia took a measured approach to its independence, focusing on equality through policies like "education for all" and avoiding nationalization of industry.[80] In many ways Namibia looked to neoliberal policies to heal its economic deficiencies. The National Development Plan established in 1995 projected an annual growth rate of five percent through attracting foreign direct investment, privatization of public sector industry, development of merchant banks for local investment, elimination of capital-gains tax, and a debt securities market.[81] Growth rates did not meet the modest goals of five percent, averaging closer to 3%. Despite a growing GDP, high levels of

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[77] Jauch, 336-338.
[78] Ibid.
[79] Ibid.
[80] Jauch, 338-348.
[81] "Investment and Finance Setting the Stage for Growth," *Infrastructure Finance.* 6.8 (Oct. 1997): p6. http://www.euromoneyplc.com/.

wealth inequality remained. Rather than question the effectiveness of such policies or the inadequacies of neoliberal remedies in alleviating poverty, Namibia's President Sam Nujoma blamed a lack of foreign investment for the stunted growth, pointing to the fact that, "In 1996, of approximately $109.5 billion in net foreign direct investment in emerging economies, only $2.6 billion was invested in Africa south of the Sahara."[82] Such investment, curtailed by the human rights issues that continued to plague Namibia is proposed to be the answer to inequality and poverty. Even with this neoliberal outlook, a BIG can be seen as a means to secure economic rights as a stopgap measure until more traditional means of economic development can take effect. However more importantly, the BIG provides what global development schemes do not, a guaranteed right to participate in the market and a foundation for endogenous growth.

The initial conception of a BIG in Namibia came from the government itself through a progressive tax proposal, NAMTAX, which sought to guarantee every citizen no less than $70 US a month. The idea was dropped, but taken up by the BIG Coalition, a conglomeration of NGOs whose leadership was founded in the Evangelical Lutheran Church in the Republic of Namibia, ELCRN. Rather than view a BIG as a hand-out that would create dependence, Chairperson Bishop Dr. Zephania Kameeta was convinced that it was, "…not only able to eradicate destitution, hunger and malnutrition, but that it lays a strong foundation for economic empowerment, responsibility and ownership taking. The BIG, by restoring the human dignity of people, frees people to become active and proud members of society."[83] The BIG was seen by its creators as a human right as outlined in the International Covenant on Economic, Social and Cultural Rights, ICESCR and a way

[82] Ibid.
[83] Jauch, 340.

to uphold the Namibian Constitution. As the Namibian government, taking the advice of the IMF, declined to implement a BIG. Therefore the BIG coalition set up the experimental grant in the village of Otjivero, a rural community surrounded by foreign-owned farms. It was a village plagued by crime, malnutrition, and poverty. Each resident was afforded about $12 US a month, or about $.40 US a day. The administrative costs were less than 10% of the total budget.

The results of the experiment are controversial; overcoming the biased criticisms of the BIG, necessary for its implementation is no small task.   The loudest critics say that the published findings were simply too positive to be true. Herbert Jauch provides the most seemingly unbiased assessment of the project. He supports the research of Rev. Dr. Claudia Haarmann and her husband Rev. Dr. Dirk Haarmann, whom conducted the initial research at Otjivero. Jauch's findings show that rates of poverty, child malnutrition, and school dropout rates fell substantially during the cash transfer experiment. He likewise asserts that a bottom-up campaign is what will ultimately combat pressure from international organizations like the IMF to establish a BIG in Namibia. The United Nations Special Rapportuer on extreme poverty and human rights, Magdelena Sepulveda also had strong praise to the effects of the program in her report to the UN in October of 2012, stating that she was, "impressed to witness the positive impacts of the Basic Income Grant in reducing poverty, improving access to health and education, diminishing crime and increasing social cohesion… …I commend the efforts of the Namibian civil society organizations in initiating and implementing this project. I call on the Government to put aside prejudices against people living in poverty and objectively assess the positive impacts of this project. The Government should be leading the debate and undertaking studies on the viability of extending a Basic Income Grant throughout the country."[84]

A look at the opposition to BIGs can reveal some of the processes that prevented the adoption of the program by the Namibian government. Of interest is the role of the trade unions, the National Union of Nambian Workers (NUNW) and the Trade Union Congress of Namibia (TUCNA). The rift between the leadership of the NUNW and the workers reveal some insight into the political landscape of Namibia and general contradictions in unions' role in the universal eradication of poverty. The split of the workers' union helped to weaken the BIG Coalition's aims of having a basic income implemented by the State, as a basic income was not a stated goal of unions who rather sought to protect labor rights and the interests of the employed. Other opposition included criticisms of the BIG Coalition's research from the Namibia Economic Policy Research Institute. This is currently a defunct agency whose findings are questionable at best. Likewise the IMF advised the Namibian government against implementation, inflating the cost estimates.[85] Was the opposition to the BIG simply a lack of imagination? Union leaders seeking to support the interests of labor failed to perceive how a BIG could support labor's power to negotiate. International actors seemed to view the program as a social safety net, rather than a springboard as described by Ferguson.

Another tangential question lies in why German non-profits and churches were as interested and involved as they were, even when local support was waning. With the

[84] Magdalena Sepulveda, UN Special Rapporteur, Mission to Namibia Oct. 1-8, 2012.
[85] Jauch, p. 344.

resurrection and revision of the German Herero War, one must consider how much influence such disturbing images from the past have on the desire of Germans to support the poor of Namibia.   A full account of the causal mechanisms of the BIG in Namibia cannot ignore this appeal to the conscience. Even now Germany struggles with how to apologize for the genocide of the early 20th century. Germany has taken steps to return the remains of indigenous peoples who were at the time used for medical experiments in Germany. Though Germany asserts that acknowledgement of past crimes will not lead to reparations, the BIG could easily be understood, not simply as a path to social justice for Namibians, but for the German conscience as well, at the very least for those of the Evangelical Lutheran Church. Ferguson describes this as the Christian contribution to the politics of distribution as he points out that Jesus actually did "give a man a fish", a miracle of distributive economics where two fishes and five loaves fed the multitude.

The results of the experiment in Otjivero were nearly as fantastic as the parable of the fishes, drawing skepticism from biased critics; however, the benefits were clear. Even before the cash transfers were made available, the BIG preparations led to the village community coming together, exercising civic engagement and agency in organizing the administration of the grants. Even though the total cash value of the grant was well below the poverty line, making up about only a third the required income to meet basic needs, poverty levels fell from 76% of households to 37%. Entrepreneurial endeavors were stimulated as 14% of more households participated in income-generating endeavors. Small businesses emerged that included brick making, dressmaking, and baking. A local marketplace emerged for the exchange of goods and services. Overall health improved, of children especially. Initially 42% of children were underweight but this number was reduced to 10% by the end of the experiment. Children also had the ability to pay school fees and buy uniforms, leading to a marked decrease in the dropout rate. Likewise more people took advantage of the health clinic. As seen by grants in South Africa as well, even small cash grants can make the difference in being able to afford the transportations costs to get to a clinic. Lastly, women were shown to be less dependent upon their male counterparts for needs and less willing to sell sexual services.[86]

The BIG program in Namibia therefore has served a variety of functions. It has served as an effective tool in relieving hunger. It has put a kind of primitive capital into the hands of those most disenfranchised by colonialism and its successor, neoliberalism, stimulating entrepreneurship in the village of Objivero. Unlike microloans, which have been widely accepted as legitimate free market programs, the BIG provided capital within the community to patronize such entrepreneurial ventures, promoting an industrious revolution. The BIG, devised as an emergency measure to deal with insurmountable inequality from a history of dispossession, has the potential to alleviate poverty while maintaining global economic structures that efficiently fuel global supply chains. Disruptions to neoliberal institutions through nationalization of industry are exchanged for a small share in the wealth of a nation, defining citizenship through ownership, not simply as a civic actor. Socialist movements are thus limited through a type of socialism that enables free agency in the free market. The streamlined nature of the program does not require large powerful public institutions. For a small price,

[86] Jauch, 343.

roughly 5% of the Namibian GDP, first world consciences are eased and global capitalism survives.

Imagining Basic Income in the US

James Livingston would point out that the fastest growing sector of the United States economy in the last thirty years is that of transfer payments. We can find a number of examples of how socialism continues to grow in the US despite the continued call for smaller government, privatization, etc. If we make the distinction between socialism and capitalism as described by Van Parijs, we can simply look to the public or private ownership of capital and the means to production.[87] Currently federal outlays account for more than 20% of US GDP, averaging 20.3% since 1967. According to the OECD, total federal, state, and local spending reached 6.6 trillion in 2014.[88] Federal spending and the resulting debt have been used to stimulate the economy, the result being bloated budgets consisting mainly of social security, Medicare/Medicaid, and military spending. To reduce public sector spending would be politically unwise as the resulting shrinkage of GDP would be at least temporarily painful. Not since Regan and Volker has the Fed been willing to initiate a recessionary trend. The point being that the pressure of growth creates, in even the most pro-capitalist economy, socialist trends in distribution. Those that lose out in the distribution of wealth find themselves presented with few options. One can join the military and, for the small risk of losing one's life, can have access to a distribution of capital through a wage and training. Unfortunately as pointed out by

[87] Philippe Van Parij, "Real freedom for all: What (if anything) can Justify Capitalism?" (*OUP Catalogue*:1997).
[88] OECD, accessed 26 November 2016, http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE11.

Michelle Alexander in *The New Jim Crow,* many Americans of color find themselves in the worst form of socialist institutions, prison. The cost of prisons in the roughly forty sates studied by the Vera Institute of Justice, which included costs not always reflected in states' budgets, was roughly 40 billion. Imagining the US for what is really is, a mixed economy, will allow for a more balanced approach in addressing what constitutes the publics sector's role in distribution.

Basic Income as an American Ideal

Finding common ground politically in the current bipartisan climate may be a fool's errand, especially concerning a scheme of basic income that many view simply as a free lunch. However, the history of Basic Income in the US shows us that it has found support among a wide swath of ideologies from libertarianism to progressive liberalism. Some argue that BI is a rightful outgrowth of the very Enlightenment principles the nation was founded upon. The rights of life, liberty, and the pursuit of happiness embodied in the Declaration of Independence refers to equality in the accumulation of capital, or as Locke would prefer, property. Locke's labor theory of value shows that through labor, the value of property can grow 10-fold, a 100-fold, and even a 1000-fold.[89] It is the distribution of property itself that enters man into a civil contract. While Locke's theories warranted best use practices that justified the dissolution of Native American property rights and allowed for a distinction between classes of propertied and non-propertied citizens, Thomas Paine imagined a citizenship that included natural rights to the general wealth of the land. He saw property rights as not only the key to the

[89] Brent M. Haddad, "Property Rights, Ecosystem Management, and John Locke's Labor Theory of Ownership," *Ecological Economics* 46, no. 1 (2003): 19-31.

production of wealth, but of poverty as well. He states, “Cultivation is at least one of the greatest natural improvements ever made by human invention. It has given to created earth a tenfold value. But the landed monopoly that began with it has produced the greatest evil. It has dispossessed more than half the inhabitants of every nation of their natural inheritance, without providing for them, as ought to have been done, an indemnification for that loss, and has thereby created a species of poverty and wretchedness that did not exist before.”[90] Paine’s solution was a land rent of fifteen pounds sterling that was paid to all citizens upon their twenty-first birthday and an additional ten pounds per annum, providing them the initial capital needed to avoid poverty in a “civilized” society. Paine saw private ownership of property as key to improvements, creating the basis for advances in the arts and sciences, yet he maintains that in a natural state, that before the new social property relations of capitalism, everyone would have had equal access to the land. Therefore in “civilized” society a natural right has been taken away without recompense. He did not describe his guaranteed income as an aid to the poor to relieve poverty but as a right of citizenship.

Martin Luther King’s advocacy for economic justice included a call for a basic income. Though his calls for economic equanimity are largely thought to have come towards the end of his career, one may want to consider the fact that the “I Have a Dream” speech was originally titled, “The March for Freedom and Jobs”.[91] Here we find a commonality between the US and Southern Africa in economic equality as a remedy for the grievances of a history of dispossession. In his book, *Where Do We Go From Here,*

[90] Thomas Paine, *Agrarian justice* (Alex Catalogue, 2000).
[91] D.D. Parker, “King Fought for Political, Economic Equality,” *Miami Times*, Jan 2015, http://ezproxy.gc.cuny.edu/login?url=http://search.proquest.com.ezproxy.gc.cuny.edu/docview/1657348491?accountid=7287.

Martin Luther King chooses to not delineate between the poor whites and poor blacks in the US, noting that there are twice as many poor whites in his day. He is critical of welfare-state policies that attempt to address social ills through piecemeal programs. Educational reforms, affordable housing, and family counseling had been uncoordinated in their efforts and thus ineffective. King is able to describe the structural issues in the economy describing a world in which production has outpaced wages, a world were too many are unable to participate in the consumption of said goods. He outlines two answers, either full employment or guaranteed incomes. He states, "I'm now convinced that the simplest approach will prove to be the most effective- the solution to poverty is to abolish it directly by a now widely discussed measure, the guaranteed income."[92] In the age of ever growing identity politics, it may be that a universal income is a way to heal the inequalities of the past, from those whose ancestors were enslaved to those who were simply property-less, providing reparations without the specter of partisanship and latent racism.

King was accurate in his appraisal of the popularity of a basic income. Milton Friedman had proposed a form of basic income, the negative income tax, in his 1962 book, *Capitalism and Freedom*. Freidman saw the welfare state as in inefficient bureaucratic model. He was convinced that instead of providing a safety net, government could effectively eliminate welfare through a tax code that provides a minimum basic income.[93] Even libertarian economist and Nobel-Prize winning economist F.A. Hayek wrote, "There is no reason why in a free society government should not assure to all, protection against severe deprivation in the form of an assured minimum income, or a

[92] Ibid.
[93] Stern,178.

floor below which nobody need descend."[94] By 1972 a basic income bill was passed in the House and was on track to become law of the land under Nixon, when the Senate voted it down.

The Northern Experiments

A New York Times article from 1970 reveals how Nixon was informed that the antipoverty experiment in basic income in northern New Jersey and Pennsylvania supported his welfare reform plan. The director of the Office of Economic Opportunity at the time, Donald Rumsfeld oversaw the concluding experiment that had begun during the Johnson Administration's "War on Poverty". The goal of the report was to measure the impact on labor productivity in light of a guaranteed income. The plan was similarly structured to Milton Friedman's negative income tax in an effort to combat welfare dependency. Incentives to work were compromised under the current program of the day, as a dollar raise in pay could jeopardize more than a dollar in subsidy. The families subsidized by Rumsfeld's experiment were guaranteed a basic income of $1,600 per year. However, every dollar earned above $720, the subsidy was reduced by only $.50. The initial finding reported in the New York Times, just ten months into the three-year plan, were positive. 53% percent of those earning the subsidy increased their overall output as measured by earnings, 18% of participants saw no change, and for 29% earning declined. Compared to the control group, those receiving the subsidy were actually slightly more productive. In addition, the administrative cost of the program ranged from $72 to $96 per family, far below the $300 per family as witnessed by the welfare programs of the

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[94] Ibid.

time.[95] When the proposal for the welfare reform failed in the Senate, rather than pushing for his agenda, Nixon was eventually convinced by sociologist Polanyi that the scheme was untenable. Polanyi based his conclusions on what was perhaps one of the first basic income experiments in the new social property relations of the industrial world, that of the "Speenhamland system". This relief entitlement program in Berkshire County, England and its questionable interpretations has helped to support those who claim moral objection to a free lunch. The Royal Commission Report of 1834 which informed the New Poor Laws, cited indolence, sloth, and immorality as products of the aid.[96] Such sentiments have been persistent and are perhaps best summed up in current political ideology by Justice Clarence Thomas' reaction to a welfare mom in the US, stating, "She gets mad when the mailman is late with her welfare check. That's how dependent she is. What's worse is that now her kids feel entitled to the check, too. They have no motivation for doing better or getting out of that situation."[97] However, the findings of the New Jersey experiment and other basic income initiatives provide some of the first scientific analysis, unburdened by biases drawn from moralizations of work.

A more detailed report on the New Jersey Income Maintenance Experiment was published during the second year of the project. By looking to the second year of the three year experiment, one hopes to find the most accurate reflection of the effects of a guaranteed income as the first and last years may influence family decision making as

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[95] "Nixon Told Income Subsidy Experiment Supports His Welfare Reform Plan," *New York Times (1923-Current file);* Feb 19, 1970; ProQuest Historical Newspapers: The New York Times.

[96] Evelyn L. Forget, Forget, "The Town with no Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment." *Canadian Public Policy* 37, no. 3 (2011): 283-305.

[97] Nancy Fraser, and Linda Gordon, "A Genealogy of Dependency: Tracing a Keyword of the US Welfare State," *Signs* 19, no. 2 (1994): 309-336.

one is adjusting to the new income or coming to terms with the fact the income would be ending soon. The total hours worked per week by family fell by 11.8% but the average earnings per hour rose by 9.8% with the total earning decreasing by 3.2%.[98] While male heads of households worked fewer hours, they made more per hour and had a .9% increase in earnings. Earners other than the father or mother in the household saw the sharpest decreases in earnings at -22.8%. Overall, it became clear that total productivity per household was small, though at a national scale, 3.2% could be significant. However, what is not revealed in the numbers is the value of human capital or domestic capital. Household production has always been an important, if hard to measure, contribution as described by deVries and his Z-commodities. For example, "other earners" or non-heads of households saw their earning decrease. This is not necessarily problematic as "other earners" would be able to focus on valuable non-earning endeavors such as education. What is most striking about the finding is that the average earning per hour for all members of the household increased by at least 7%. Here we see, as in the experiment in Namibia, that a minimum income contributed to a freedom in finding better work.

The New Jersey Income Maintenance program was just one of five negative income tax experiments in North America during the 70s. Others included a program in North Carolina and Iowa that focused on rural populations, one in Gary, Indiana that sought to study the effects for single mothers, another in Seattle and Denver, SIME and DIME, which consisted of the largest populations, and finally an experiment in the Canadian town of Dauphin that was completely universal in its disbursement. While all the programs, including the New Jersey experiment, were firstly concerned with the labor

[98] Irwin Garfinkel, "The New Jersey Income Maintenance Experiment," Office of Economic Opportunity, Washington D.C., p. 9.

supply response to a guaranteed income, the data was also used to study effects on what we might call human capital. Again the labor response was minimal, though many at the time would argue that any response at all was simply unacceptable on principle. Elementary aged children in the North Carolina experiment performed better on exams.[99] Dropout rates fell among those participating in the New Jersey experiment. The SIME and DIME programs saw an increase in continuing education for adults. The birth weight of children born to single mothers of the Gary experiment increased.[100] In Canada, Dauphin saw a decrease in the birth rate, fewer hospitalizations and of shorter duration.[101] The psychological motivations to work would be a useful study in understanding the effects of basic income, but are beyond the scope of this paper. However, what we have learned from economic history and the negative income tax experiments is that populations are inherently concerned with improving the quality of their lives. Labor saving technology, be it in industry or in the household has failed to produce excess leisure, but instead has allowed for more people to raise their standard of living.[102] In the experiments of the 1970s we see that while secondary earners decreased their hours in the labor force, it was replaced by household production or human capital. Education in particular benefitted from the freedom allotted by the experiments.[103]

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[99] Forget, 9-11.
[100] Ibid.
[101] Ibid.
[102] see Ruth Schwartz Cowan, *More Work for Mother* (1983).
[103] Findings of the above experiments have also been reproduced on the Cherokee reservation in North Caroling where proceeds from the tribally owned Harrah's Casino has provided tribe members with a guaranteed basic income of up to $10,000 annually.

Conclusion

From the experiments in guaranteed income and negative income tax, it is clear that BI can serve to “raise all boats” while causing little disruption to the current global economic structures. Imagining distributive economics will be key in the survival of capitalism through providing controlled, non-disruptive alternatives to unintended socialist tendencies. Rather than creating scenarios of dependency, the BI has shown to promote the free market ideals of liberty, social mobility, and individual initiative; one, by providing a remedy for the so-called welfare-gap, and secondly by providing the basic accumulation of working capital to support endogenous growth, even promoting civic engagement. The same structures that have produced the greatest growth in wealth have perpetuated increases in inequality both internationally and domestically through an unbalanced focus on production for the global marketplace. Such a vision has provided examples of successful and often unsuccessful transitions to capitalist growth. Therefore neoliberal policies focused on devaluation and production should be balanced with domestic consumer demand and markets. The successes of the US since the beginning of the 20th century were not the product of some kind of libertarian free market utopia, but the clear concerted efforts through political means to shape a liberal corporate capitalist structure to combat the unsavory aspects of free market competition e.g., overproduction. The speculative nature of capital has been fueled by the success of corporate capitalism with a clear cost carried by the American middle class and the poor of the developing world, as US economic imperialism “cannibalized” its domestic interests for goals of the State Department and later Wall Street. If one looks to history for answers, successful alleviation of poverty has required, strong wages, consumer demand, the ability of labor to negotiate, primitive accumulation and social, political, and cultural structures to administer markets. As seen in the experiments, BI can serve as a tool to address such needs. Likewise, as seen in the South and as advocated by Dr. Martin Luther King, and even Thomas Paine, UBI can provide reparations for histories of dispossession without the corresponding conflicts of identity politics. It reduced poverty well beyond the cash value of the grant, indicating a stimulatory effect for local economies. Such effects were evident in the expansion of local markets and improvements in health and education. The slight decrease in household contribution to the labor market was replaced by freedom in expanding "household" or "human" capital, leading to expanded choice in household determination in quality of life choices. The added leverage allowed for households to secure better jobs. Imagining a UBI may be uncomfortable at first, but given the potential for global instability, it may simply be the least disruptive mechanism in preserving global capitalist structures.

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