In the Balance

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Given the potential advantages of a UBI – and the obvious need for reliable income support that is not inflexibly tied to selling one’s labour – one may ask why a UBI does not yet exist on a large scale. The unsuccessful campaign to introduce a basic income grant (BIG) in South Africa in the early 2000s offers some important insights.

**WHY THE BIG CAMPAIGN IN SOUTH AFRICA FAILED**

South African trade unions, religious organisations and non-governmental organisations (and, intermittently, the former social development minister)\(^1\) began championing a BIG in the late 1990s. The grant was formally proposed during bilateral discussions between government and trade unions ahead of the 1998 Presidential Jobs Summit. The envisaged amount was very small – R100 (about US$12.50 at the time) per month – an amount that proponents believed was politically ‘winnable’.
The government convened the Committee of Inquiry into Comprehensive Social Security (the Taylor Committee) in 2000 to investigate a proposed BIG in the context of the country’s overall social security system. Three years later, the Taylor Committee recommended that an income grant worth R100, payable to all South Africans without a means test, be introduced. The payment would form part of a comprehensive social protection package, including increased support for health, education and housing, and for strengthening various forms of social capital. The Committee accepted that a BIG could not be implemented immediately due to administrative and fiscal considerations. It therefore proposed that the basic income be phased in over time until, by 2015, it would include all adults up to retirement age.2

The anticipated socioeconomic benefits were plentiful. Financial simulations suggested that a payment of R100 per month for all South Africans could close the poverty gap by 74%,3 and lift about six million people above a poverty line of R400 (US$50 at the time) per month.4 The grant would be spread thinner than existing social transfers, but the benefits were expected to ripple further.

Some proponents saw the BIG as a means to address both poverty and labour market failures. Especially significant was the recognition in the report of the Taylor Committee that ‘the wage-income relationship’ was ‘breaking down’:

A key underlying principle of the old [apartheid] system remains in place, i.e. the assumption that those in the labour force can support themselves through work, and that unemployment is a temporary condition. In reality, those who cannot find work … fall through a vast hole in the safety net.5

The Congress of South African Trade Unions (Cosatu) saw the BIG as a way to reduce poverty and lay ‘the foundation for more productive and skilled communities’.6 It would form part of a broader strategy to build livelihood security that could help people cope with labour market
failures and personal catastrophes such as illness or sudden loss of income. Concerns in labour circles about ‘welfare dependence’ saw the BIG positioned as part of an active labour market policy, rather than as an alternative to low-wage work.

Supporters also saw the BIG as a way to help people seek additional sources of income, as an ‘investment’ in ‘human capital’ and as a ‘spring-board’ for mini-entrepreneurs.7 The concept therefore also found support in some conservative quarters, where it was seen as a limited cash transfer that would alleviate poverty and subsidise ‘self-help’ activities, while ultimately leaving recipients reliant on and available for low-wage jobs. As James Ferguson noted, proponents tended to blend social-welfarist and neoliberal reasoning.8

Sympathetic critics favoured low-wage job programmes as an alternative. But most opponents objected that a BIG would be unaffordable, too small to have significant positive effects, and that it would distort labour supplies, depress wages and foster dependence. South African president Thabo Mbeki reportedly dismissed the BIG proposal with the claim: ‘If you give everybody R100 a month, it will not make a difference … To introduce a system which indiscriminately gives R100 to a millionaire and a pensioner does not work.’9 The academic Charles Meth responded that no one who has observed the efforts of the poor to scratch a living out of some enterprise that requires endless hours of toil will believe that R100 per month will put an end to the aspirations of most of them for self-improvement. What cannot be called into question is the welfare improvement in, for example, workerless households, among whom the slightest risk (e.g. borrowing or spending money for a job search) threatens an already precarious existence. Their menu of choices could be considerably expanded by the existence of a secure income source, be it ever so small.10

If set at R100 (US$12.50) per month per person, the BIG would have cost approximately R54 billion (US$6.8 billion) per year, according to Pieter le
Roux’s calculations. That estimate assumed, though, that current recipients of social grants would receive downward-adjusted BIG payments (i.e. the BIG would ‘top up’ existing cash transfers). Servaas van der Berg and Haroon Bhorat calculated the overall cost at about R60 billion (US$7.5 billion) per year – equivalent to about 4% of GDP at the time, or roughly equal to the national education budget. Around the same time, Anna McCord calculated that a public works programme providing 3.2 million jobs, or 845 million workdays, at R35 (US$4.40) per day, would have cost between R37 billion and R61 billion (US$4.6 billion and US$7.6 billion) per year, depending on administrative and other costs. Such a scheme would have absorbed about 40% of the potential workdays of the unemployed in South Africa.

Various financing options for the BIG were put forward. Le Roux proposed a value-added tax (VAT) increase of 7.3% (in addition to the 14% rate at the time) and a 50% increase in excise and fuel taxes. He claimed this would have entailed a significant increase in taxes for higher-spending individuals, while being much less burdensome for low-income individuals, who spend little. However, using VAT increases to finance the BIG would have reduced the net payment to individuals far below the face-value R100 amount – by up to one-third for low-income, non-taxpaying recipients. Other financing options included increases in the marginal income tax rate, which would have increased the net benefit to low-income earners.

The debate was heavily influenced by the neoliberal macroeconomic framework (Growth, Employment and Redistribution plan, or GEAR) adopted in 1996 and staunchly defended by the finance ministry. The ruling African National Congress (ANC) showed little appetite for the BIG recommendation and the government stood implacably opposed. Shunted into various policy summits, discussion of a BIG steadily faded from view. The preferred route was to pursue livelihood protection through job-creating economic growth and by reforming the current social assistance system. Operating in the background was the evergreen assumption that a combination of waged work and entrepreneurial zest eventually would do away with a need
for social transfers to manage indigence. Thus, the finance minister, in his 2004 budget speech, stated that the government’s approach was to extend social security and income support through targeted measures, and to contribute also to creating work opportunities and investing further in education, training and health services. This is the more balanced strategy for social progress and sustainable development.17

The core objection to a BIG, former trade and industry minister Alec Erwin later remarked, appeared to be ‘not the money but the idea’.18 Speaking in 2002, land affairs minister Thoko Didiza, who headed the ANC’s Department of Social Transformation, had highlighted the ruling party’s concerns ‘about the values underpinning such a grant’.19 Government spokesperson, Joel Netshitenzhe, called for interventions that would enable South Africans to ‘enjoy the opportunity, the dignity and the rewards of work’20 while President Mbeki urged his government colleagues to ‘reduce the number of people dependent on social welfare [and increase] the numbers that rely for their livelihood on normal participation in the economy’.21 The ANC clung to the view that ‘grants must not create dependency and thus must be linked to economic activity’.22 Yet the government continued to expand the social grant system, prompting David Everatt to remark that

the dominant voice within the ANC after Mandela was one that chided the poor for remaining poor, rejected [a basic income grant] but was unable to resist pressure for major cash transfers to the poor in the form of social grants.23

The South African government seemed to recognise both the felt need for social grants and their political value for shoring up popular consent. Yet it would remain resistant to the principle of state-provided income support as an entitlement or right for poor households. Although defeated, the
BIG campaign did make an impression. Prior to the general election in 2008, media reports claimed that the ANC had been costing various configurations of expanded social assistance, among them a BIG, though the results were not made public.\textsuperscript{24} In 2010, the Congress of South African Trade Unions again called for a BIG, along with other social and economic reforms, though to no avail.\textsuperscript{25} Less than a decade later, a large and growing coalition would again emerge around a demand for a UBI (see Chapter 6).

**ECONOMIC AND LABOUR MARKET DISTORTIONS**

Condensed in the reactions to the BIG campaign in South Africa were many of the themes that typify current scepticism or outright opposition to a UBI. Central among these objections are claims that a UBI is too costly and that it will distort the labour market and wider macroeconomy.

**Unaffordability**

Most common is the complaint that a UBI is unaffordable and would expose governments to populist demands for increasing the payment amount. This would cause costs to spin out of control, creating what economists call ‘open-ended fiscal exposure’. Critics also claim that financing a UBI through taxation in developing countries is unrealistic, since relatively small proportions of adults pay income taxes and value-added tax already disproportionately burdens low-income households.\textsuperscript{26} A relatively generous UBI payment – for example, an amount that corresponds to the poverty line – would seem highly unfeasible in such circumstances if financed from personal income taxes, they charge.

The affordability of a UBI has to be determined on a case-by-case basis, taking account of the proposed amount, eligibility decisions, feasible financing options, fiscal circumstances, and how the scheme aligns with social wage and other pro-poor interventions. Blanket verdicts about affordability are unsound and misleading (as discussed in detail in Chapter 5).
Economic disruption and inefficiency

Economic disruption and inefficiency are other common concerns cited by UBI critics. They warn that the mechanism would distort the labour market, inhibit labour supply and productivity (due to a putative loss of work incentives), encourage fiscal profligacy, reduce competitiveness (due to higher taxation) and lead to price inflation.

The ‘inefficiency’ argument may seem persuasive theoretically, but it weakens in real-world settings. Chronic un- and underemployment, and depressed real wages sap aggregate demand, which further dampens employment and adds macroeconomic inefficiencies. By contrast, ‘paying cash benefits will enhance macroeconomic efficiency if it upholds aggregate demand and raises employment’, as William Jackson has noted.27 A universal payment would also avoid standard economic inefficiencies associated with current targeted and/or conditional transfers, including distorted resource allocation, high administrative costs and incomplete coverage.

The alleged inflationary effect is tied to an assumption, rooted in neoclassical economics, that distributing large amounts of ‘free money’ to non-working people would boost demand without generating corresponding increases in output or productivity.28 The resultant relative scarcity would cause prices to rise. The objection suffers several flaws. The inflation fear assumes that human labour is the only source of large-scale increases in output and productivity, ignoring the potential contributions of automation, restructured value chains and more. The trepidation also overlooks the persistence of excess capacity in the global economy, which tends to absorb the inflationary effect of increased demand. And it is undermined by the fact that massive infusions of liquidity since the 2008 global financial crisis have not sparked untrammeled inflation. After the US Federal Reserve’s quantitative easing programme pumped over US$4 trillion into the money supply after the 2008 crisis, there was no indication of rising inflation. In fact, the Federal Reserve’s concern was the opposite: there was not enough inflation.29
Moreover, there is persuasive evidence from developing countries that cash transfers do not have an inflationary impact. A review of programmes in Lesotho, Malawi and Zambia found no evidence of price inflation or distortion attributable to the transfers. In Kenya, a large study across 653 rural villages found minimal price inflation associated with one-time cash transfers of US$1,000 to poor households, while documenting major positive effects on household consumption and assets. Careful analysis of Mexico’s Programa de Apoyo Alimentario (or Food Aid Programme) also concluded that inflation concerns about distributing ‘free money’ to poor households were misplaced. That food programme was preceded by a randomised experiment in 200 rural villages. In some, villagers got US$20 per month cash grants, while food parcels worth the same amount were distributed in others. A third set of villages served as a control group. In villages receiving the cash transfer, food prices barely changed (they rose by 0.2%), suggesting that even in a contained setting a UBI need not spur inflation.

A disincentive for work

Basic income proposals routinely spark dismay about their anticipated effect on people’s desire to seek and perform waged work. For critics of unconditional income support it is almost axiomatic that the intervention will distort labour markets. That stance has been highly influential in the restructuring of welfare systems in developed countries over the past three decades, most obviously in the promotion of ‘workfare’ (or employment-oriented welfare), which places great emphasis on linking income support to constant job searching.

Those contentions bristle with moral censure. Paid work is venerated as the desired norm, and it is assumed to be attainable despite the abundant contrary evidence. As South African parliamentarian Michael Masutha put it in 2000, when commenting on calls for a small basic income: ‘If you have all these nice social benefits, where is the incentive to want to go back to work?’ At the time, about 35% of
South Africa's adult population had no reasonable prospect of finding decent paid work in the near future.

There is very little empirical evidence to support the ‘work disincentive’ objection. Neither basic income-type projects, nor cash transfer programmes (including South Africa’s social grant system), indicate that income transfers discourage people from working. An analysis of 16 historical UBI trials found no significant impact on the likelihood of participants performing paid work. Studies of cash transfers in impoverished settings have found no significant effect on labour supply either, including in Asia and Latin America and in Africa.

Damon Jones and Ioana Marinescu’s analysis of study evidence from the United States (including the Alaska Permanent Fund) found a tiny, close-to-zero effect on labour supply. Many of the reviewed studies had reported no impact on labour supply, and where an impact was detected, it was small. Among the latter studies, a 10% increase in income from unconditional cash transfers resulted in an average 1% drop in labour supply.

Abhijit Banerjee and colleagues re-analysed the results of seven randomised controlled trials of government-run cash transfer programmes from six countries and also found no systematic evidence that the programmes discouraged work for either women or men. Similarly, Emmanuel Skoufias and Vincenzo di Maro’s analysis of Mexico’s Progresa programme revealed no significant effect on adult labour force participation. Similar findings have been made in Argentina, Chile, Ecuador and Uruguay, Bangladesh and Ethiopia and Cambodia.

There is, however, evidence of a contrary effect – of increased employment. Miguel Foguel and Ricardo de Barros found that conditional cash transfer programmes in Brazil increased male labour participation, while Diego Vera-Cossio’s research in Bolivia made a similar finding (including in family businesses). Some studies of the impact of cash transfers on farm labour in Africa have found decreased
participation in casual waged labour,\textsuperscript{50} accompanied by increases in own-account farming:

The results do not indicate a reduction in work effort – rather, they show that beneficiary households have increased their autonomy over productive activities and have more flexibility in how they allocate their time – often choosing to work on their own farms instead of agricultural wage labor.\textsuperscript{51}

More generally, cross-country evidence points in a similar direction: increased social policy expenditure and levels of public investment improve people’s labour market prospects, as Elissa Braunstein and Stephanie Seguino discovered when they reviewed data from 18 Latin American countries for the period 1990–2010.\textsuperscript{52}

The claim that a cash transfer would undermine work incentives seems grotesquely misplaced in a society like South Africa, where the social grants target people who, due to age, frailty or disability, are not expected to fend for themselves by selling their labour. Strictly speaking, those payments cannot discourage beneficiaries from employment. However, since the money is frequently also distributed among other household and/or family members, might the grants discourage job-seeking among those secondary beneficiaries?

When Statistics South Africa analysed data from the 2003–2007 General Household Surveys, it concluded that low-income households receiving grants were not less economically active than non-recipient households.\textsuperscript{53} In a review of other South African and international evidence, the effect appeared to be ambiguous and depended on the context. In some cases, grant payments increased labour market participation by covering costs or credit associated with working (for example, for women in the case of child support grants).\textsuperscript{54} That aligns with earlier findings by Deborah Posel and her co-authors, who reported that rural South African women living in households where someone was receiving the state old-age pension were more likely to be working than their peers
Testing the Arguments Against

in non-recipient households. In other instances, the grants may temporarily relax the pressures for seeking waged work (a reasonable reaction in the context of hyper-unemployment). In the background is the fact that the bulk of social grant recipients in South Africa are adults (mostly black African women) who are raising or fostering children, or tending the frail: they are working, but are not being remunerated for their labour.

Overall, the evidence supports an expectation that even with a subsistence-level cash payment, at least some people with marketable skills can be expected to seek paid work, take up self-employment, or strive to improve their skills or education in search of better, more decent work. “I get $10 000 a year; that’s enough for me” – said nobody, ever’, as Max Sawicky quipped in response to the claim that a UBI in the United States would encourage sloth.

ETHICAL OBJECTIONS: ‘SOMETHING FOR NOTHING’

A range of ethical objections are levelled at UBI proposals. Critics find the lack of targeting and conditionality to be particularly disturbing. Some object, for example, that it is ethnically problematic to apply a universalist principle in a ‘literal’ or ‘mechanistic’ way by providing income support to everybody, including people who do not need the support. A targeted approach that focuses support on the least privileged sections of society is seen as a preferable way to ensure that no one goes lacking. However, many current proposals for a UBI rely on complementary arrangements to offset at least part of the cost through progressive changes to the tax system, such that only low-income earners would receive a net income gain from a UBI. This particular ethical objection seems addressed in such arrangements.

There is also a claim that a UBI would be divisive, by separating society into ‘productive’ and ‘non-productive’ sections (rather than regarding every adult as a current or potential worker). The concern is strange, given the prevailing normative and administrative separation between
adults with and without employment, and the stigmatising and coercive discourse associated with that framework. An income which everyone receives cannot easily be construed as divisive.

A UBI destabilises deeply held ideas about the role and status of paid work as a basis for having legitimate claims on one another and on the state. As seen during South Africa’s BIG debate in the early 2000s, waged work is laden with notions of deservedness, merit, earned social membership and the promise of recognition. Waged work, no matter what the actual job, is seen to bestow value and worthiness. A UBI distorts those social-moral landscapes and unbalances the ways in which social obligations and entitlements are assessed and assigned. Thus, universalist welfare is frequently opposed for rewarding passivity and encouraging idle entitlement. ‘Where is the fairness, we ask, for the shift-worker, leaving home in the dark hours of the morning, who looks up at the closed blinds of their next-door neighbour sleeping off a life on benefits?’ is how former United Kingdom Chancellor George Osborne reportedly put it to the 2012 Conservative Party congress. The moralising contrast of hardworking citizen and idling freeloader remains a staple of fiscal sermonising.

Work seems to occupy an ‘unassailable position in politics, policy and popular discourse.’ When a claim to an entitlement is not in some way attached to paid work, it is commonly treated as a moral offence: a basic principle, that of social reciprocity, seems violated. This feeds a deeply and widely felt affront, even when the reaction seems irrational – for example when waged work is unavailable to large proportions of working-age people. There is a prevailing insistence that it is chiefly through waged work that we contribute to society and ‘earn’ our claims to social citizenship. Social policy in South Africa typifies such perspectives (see Chapter 2). The social grant system targets recipients as individuals, with little regard for the interdependencies – the social and other obligations and claims – that shape their lives. And it does so in an ideological environment that denounces dependence, disparages social assistance as ‘handouts,’ and exults waged work as the prime source of worth and recognition.
Rewarding the ‘undeserving’

The logic of means-testing, targeting and conditionality feeds the evergreen notions of the ‘deserving’ and ‘undeserving’ poor, a framework that divides society into ‘saints’ and ‘sinners’. At least for the past 150 years, that line has been drawn on the basis of a person’s capacity to work for a wage:

Traditional 20th century conceptions of social welfare took for granted an economic world within which waged labour was socially generalised, and the domain we have come to know as ‘the social’ was constructed on the foundation of the able-bodied male worker. Indeed, the list of those requiring ‘social’ interventions (the elderly, the infirm, the child, the disabled, the dependent reproductive woman) traces a kind of photographic negative of the figure of the wage-earning man.

In this kind of framework, the state (or another designated entity) dispenses support to people who have ‘earned’ it by way of paid work, or it gives ‘charitably’ (it ‘grants’ assistance) to those who are not reasonably required to work for a wage. A principle of reciprocity may seem to be the hinge in this relationship between citizen and state, but the act of ‘charity’ is laden with power and authority, and functions as a disciplinary tool that ultimately services the interests of employers.

The deserving/undeserving yardstick for social assistance retains powerful traction. Both the framing of social assistance and the attitudes of potential recipients are weighted with moral judgement. Data from a 2009 survey among 3 000 young people in Cape Town prompted Jeremy Seekings to conclude that the respondents ‘tend to favour both public and private support for deserving people and to oppose both for undeserving people.’ Their responses indicated little support for automatic claims or universal provision, whether public or private. The preference was for training, job creation and free tertiary education – even though their own lived experiences showed that neither education nor training qualifications guaranteed jobs, let alone ‘decent’ jobs. The elderly and the
disabled were generally seen to be most deserving of state support, with young able-bodied adults the least deserving.\textsuperscript{64}

Hannah Dawson and Liz Fouksman have made similar observations, noting that even individuals who are effectively excluded from the labour market insist on a link between labour and income.\textsuperscript{65} Their research among unemployed young people in Zandspruit, north of Johannesburg, encountered heartfelt opposition to the idea of extending eligibility for the child support grant to 23 years (from the current 18 years). There is ample other evidence that the provision of welfare benefits tends to elicit stigma and disapproving tropes, often politically inflamed, about the recipients – with women, especially single mothers, especially attractive targets.\textsuperscript{66} Other criteria for ‘deservingness’ are also invoked. Depending on the assistance and circumstances, a claim for support might be regarded as stronger for kin than non-kin, or for people who are in dire straits compared with those having potential access to other means of support. In the Cape Town survey, though, need was not the only criterion for determining ‘deservingness’; the social conduct of individuals also featured:

Deservingness with respect to both public and private support is affected dramatically by the attitude and reciprocity of the claimant, with the important exceptions of mothers who should be supported unconditionally.\textsuperscript{67}

Similarly, Dawson and Fouksman’s research revealed disagreement not only about the state’s role in providing income support, but about who deserves the support.\textsuperscript{68} Respondents were concerned that ‘lazy people’ would abuse the system, that recipients would choose not to work, or that they would squander the money. It may be that the laziness trope is a substitute for an adequate explanation for the (more complex) causes of unemployment and poverty, as Christine Jeske has suggested.\textsuperscript{69} But the value attached to waged work is also bound up with gender relations, including the authority men derive from the role of ‘breadwinner’.
Dawson and Fouksman have noted that resentment was especially strong among male respondents (South Africa’s child support grant is paid to caregivers, who are almost exclusively female). These kinds of findings are in tune with the dominant tenor of social policy during the neoliberal era, which assigns to wage labour powerful disciplinary and pedagogical meanings, educating the poorest sections of the population to the idea that full citizenship revolves around individual responsibility, labour market activation, and the avoidance of ‘dependency’ on public spending. Conversely, the government regards with suspicion policies of generalised access to social provisions funded via redistributive transfers.

In post-apartheid South Africa, as David Everatt has suggested, an element of shame possibly helps to explain the ongoing attachment to such cleaving, moralising assumptions. Even though none of the participants in Dawson and Fouksman’s study counted themselves among ‘the lazy’, the implied self-loathing was striking, not least in its mirroring of racist stereotypes and the image of the ‘feckless native’. This may also explain the aversion among many politicians and state officials towards unconditional, universal assistance:

The combination of the scars of apartheid experience, and [people’s] own success in surmounting the monumental obstacles that characterized this system of oppression, has caused them to elevate ‘self-reliance’ and an abhorrence of ‘dependence’ to mythical status.

Recipients of child support grants in South Africa seemed to view the assistance with gratitude rather than a sense of ‘just deserts’, according to Tessa Hochfeld and Sophie Plagerson’s research in Soweto. The payment was not seen as fulfilling a right, but as meeting a necessity – not so
much ‘deserved’ as needed. Prominent in South Africa and many other countries are paradoxical ethical stances that combine norms of communal solidarity with assertions of individual responsibility, and qualified claims on state support. But, rather than expressing steadfast principles, the attitudes encountered by Seekings and Matisonn and by Dawson and Fouksman may be more circumstantial than they seem – as the groundswell of popular support for a UBI during the COVID-19 pandemic suggests (see Chapter 6).76

**Encouraging dependence**

Even as the South African government expanded its social grant system in the 2000s, officials continued to moralise about the cash transfers, fretting that ‘hand-outs’ would encourage dependency. Former president Jacob Zuma, for example, called for linking ‘the social grants to jobs or economic activity in order to encourage self-reliance among the able-bodied’,77 and highlighted as a priority the need to change the ‘culture’ of ‘laziness, especially among youth.78 Those were not new sentiments. Zuma’s predecessor, Thabo Mbeki, had sermonised on the need to cultivate that sentiment among our people to say, ‘I too have a responsibility to do something about my own development’ … so that people don’t think it is sufficient merely to hold out their hands and receive a handout, but to understand that all of us, as South Africans, have a shared responsibility to attend to the development of the country.79

The South African government was so sunk in this view that, in 2005, the Presidency tasked the Department of Social Development to work with the finance ministry to address ‘issues of dependency, perverse incentives and sustainability of the social grant system’ and to ensure that the grants were linked to ‘reducing poverty and unemployment’. The process included a survey of 14 000 households aimed at assessing ‘potential perverse incentives and dependency.’80 Even the Reconstruction and
Testing the Arguments Against Development Programme, the development strategy crafted by the ANC and its allies in the early 1990s, had emphasised that although a much stronger welfare system is needed to support all the vulnerable, the old, the disabled and the sick who currently live in poverty, a system of ‘handouts’ for the unemployed should be avoided. All South Africans should have the opportunity to participate in the economic life of the country.\textsuperscript{81}

This conflation of waged work with sovereignty and independence misrepresents people’s lived experiences – starting with their obvious dependence on waged work itself and extending to the intricate webs of dependencies that constitute social life and enable economic survival. Dependence is an empirical fact of life. And people actively establish, manage and manipulate these dependencies. It is what we do when we organise as workers, or participate in networks of social reciprocity, or borrow money from a friend.

Income (waged or not) and other forms of support constantly circulate informally across kin and other social networks. In southern Africa, as elsewhere in the developing world, a powerful interdependence exists between wage earners and their dependents (and individuals constantly shift between those two roles). People establish and maintain claims on support in a variety of ways, ranging from reciprocity and indebtedness to supplication or dominance. The currency of these interdependencies is not limited to money but extends to various forms of labour (childcare work, nursing or handiwork, for instance) and bartering. Rather than view dependence as a lack of freedom, James Ferguson sees it as a basis for making distributional claims, with social dependence in particular serving ‘as the very foundation of polities and persons alike.’\textsuperscript{82} Dependence is a social tool that can be used to position oneself for participation in distributive systems.

The authority of waged work in the public imagination of South Africans is closely tied to the country’s history of capitalism, its
dismantling of agrarian livelihoods, and the corralling of African men into wage labour in mining and other industries and on white-owned farms. For men in particular, personhood, social status and ‘manhood’ became increasingly – though not entirely – tied to waged work, all the more so in settings where bridewealth-based marriage required wage-earning capacity. But this did not entirely displace the importance of other relations of (inter)dependence, given the unstable nature of waged employment. South African capitalism, as Ferguson has reminded us, ‘did not do away with personalistic and dependent relations between employer and employee’. To a large extent, those relationships of dependence have been woven into networks that are served by reciprocity and recompense. Social reality does not support the image of dependence as passive entitlement (though outright claims-staking, especially by men on women, does occur).

As rising unemployment accompanies listless economic growth, many of the jobless are pushed aside more or less permanently. In that context, new relations of dependence have emerged, increasingly revolving around social assistance (in the shape of social grants and other cash transfers), much of it paid to women. Another fascinating finding in Hochfeld and Plagerson’s research in Soweto was the importance many recipients attached to their ability to control the payments. The grants were seen not as a form of dependence, but as a means for broadening women’s opportunities to participate in social life. As the researchers noted, this echoes Amartya Sen’s emphasis on choice and control as an essential ‘capability’. The cash transfers, in Ferguson’s view,

enable less malevolent sorts of dependence to take root and a circuit of reciprocities to unfold within which one-sided relations of dependence can become more egalitarian forms of interdependence.

This also points to a more accurate understanding of the so-called informal economy, which seems less entrepreneurial (in the sense of
being budding ‘start-ups’) and more a means for servicing participation in networks of (inter)dependence – or ‘distributive labour’, as Ferguson puts it.89 Andries du Toit and David Neves have shown how people weave social grants and informal enterprise activities into the give-and-take that nourishes social networks.90 Ferguson is correct to observe that ‘it is really only via relations of “dependence” that most of the population survives at all’91.

These can be messy, disruptive processes. Structures of households and kin relations evolve: in South Africa they have changed significantly in recent decades, with both marriage rates and the prevalence of male-headed households declining markedly.92 By the early 2000s already, women headed almost as many households in South Africa as did men,93 and a majority of adult women had never been married.94 In the context of hyper-unemployment and widespread poverty, men find themselves dislodged from traditional roles, lacking the means to fulfil their perceived duties as ‘breadwinners’, and with their sense of self and their place in society destabilised. At least some of the violence men inflict on women and children in South Africa can be traced to this mismatch between the idea of what ‘makes a man’ and the limited available means for living up to those norms of masculinity.95

As access to wage incomes narrows, distributive claims on kin are focused more tightly on smaller groups of relatives – increasingly women, who receive child support or foster care grants, and the elderly, who receive pensions. The ‘non-productive’ are themselves becoming key sources of income. Consequently, the current social grants system in South Africa also fuels tension, resentment and division within households and kinship circles,96 and it is loaded with opportunities for moralising judgement. Grant recipients become the sources of income for others, acquiring a redistributive role that can expose them to harassment and danger, while affording them a degree of social power. This, too, upends a simplistic understanding of dependence. Rather than referring to a relationship of passivity – a sort of social stasis – dependence is a dynamic process, a form of actual or pending exchange which implies reciprocity
(now or deferred into the future). ‘For poor South Africans,’ Ferguson notes, ‘it is not dependence but its absence that is really terrifying – the severing of the thread, and the fall into the social void.’

The real challenge is not so much to erase dependence ‘but to construct desirable forms of it.’ Wage labour offers a suggestive analogy. In capitalist society, it very clearly constitutes a form of dependence, egregiously so in the context of high unemployment and weak social protection. But it also provides a basis for staking claims to entitlements, for contesting access to resources, even for altering social relations. The imbalances built into the relationship between workers and employers generate reactions that constantly threaten to also destabilise the relationship; the dependence is never passive.

**Legitimising passive citizenship**

The sense that it is unfair for an able-bodied person to live off the labour of others resonates deeply. The perceived lack of reciprocity is an intuitively powerful concern, including among proponents of a UBI. Philippe van Parijs has referred to this as the ‘Malibu surfer’ conundrum: should taxpaying workers subsidise the lifestyle of a person who chooses an ‘unproductive’ life – such as a ‘surfer bum’?

It is widely felt that any such obligation is unfair, and that facilitating a lifestyle of apparent idleness is socially undesirable. Thus, the American philosopher John Rawls claimed that someone who wished to surf all day can do so using her own income, but cannot expect society to develop institutions and mechanisms to subsidise her life. In the Rawlsian liberal tradition, a UBI is deemed unjustified since it violates the principle of reciprocity. A person is justified in receiving income support that is financed through a tax on the income of working people only if she is unable to work for a living or shows a willingness to work (in line with the standard framing of income support).

Van Parijs has argued, somewhat intricately, that an obligation to subsidise idleness need not be unfair. Even in a well-functioning modern economy, some unemployment continues to exist. This is partly because
some workers choose to quit or refuse jobs in search of higher wages than those on offer, which (by increasing demand) adds upward pressure to wage levels. Workers who do have employment benefit from that buoyant effect on wages – which makes it ethically justifiable, according to Van Parijs, to tax part of that ‘surplus income’ and distribute it to people who are not employed. This counter-argument seems strained.

The Rawlsian position suffers a less technical and more profound weakness, in that it equates (social) worthiness with paid work and risks neglecting other forms of socially valuable and/or personally enriching work. The tendency to associate worth with waged work troubled Hannah Arendt, for example, who preferred to draw distinctions between labour, work and action. Feminist historians and theorists have critiqued the Rawlsian position along similar lines – for imagining the rights-bearing adult fundamentally as male and as an autonomous individual who is neither dependent on the work of others nor responsible for dependents. On what grounds, they have asked, should money not be paid to female adults, who preponderantly perform essential but unpaid care and reproductive work? In Juliana Bidadanure’s view, it ‘seems difficult to claim that any formal job is a more adequate form of reciprocation than activities outside the labor market that are sometimes more useful or productive.’

André Gorz approached the issue of reciprocity from a similar angle. He shared the concern about income support that is detached from any reciprocal obligation – but for social rather than moralistic reasons:

Excusing people from working by securing them an income anyway is not a way of giving them full membership of their society. You cannot become a member of any community if you have no obligation whatsoever to it … There can be no inclusion without reciprocal obligations.

Gorz worried that a guaranteed minimum income might compensate people for their economic exclusion while leaving untouched the reality of an unequal and exclusionary society. Crucially, he released the concept
of reciprocity from the fiction that it can only be expressed through the mechanism of waged work. But a guaranteed income would have to facilitate arrangements that promote full participation in society and that involve some form of positive obligation that would expand

those activities which create nothing that can be bought, sold, exchanged – and hence nothing that has value (in the economic sense) – but [add] only non-marketable wealth with an intrinsic value of its own.106

In addition to enabling individuals, a UBI must have a social function: it has to facilitate socially engaged citizenship. For Gorz, as for Arendt, the chief concern was not only material security, but a person’s ability to live a socially rooted and socially meaningful life. A UBI therefore needs to do more than release people from poverty and the compulsion of waged work; it also has to open opportunities for activities that allow one to exist in a socially useful manner.107 Not merely a source for financing the basic necessities of life (through consumption), a UBI should also provide a basis for engaging in forms of socially productive activity (other than wage labour), for enriching social life and for political engagement – all of which, in Arendt’s view, nourishes societies and helps build and deepen democracy beyond the routine of voting.108 Ideally, a UBI would nurture all three aspects of what Arendt termed the ‘vita activa’: labour, work and action.109

Proceeding along similar lines, Anthony Atkinson has sought to reframe a basic income as a ‘participation income’ and to build the principle of social reciprocity or productivity into the concept.110 There is a conundrum, though, in whether and how to structure such expectations in a UBI. Various forms of ‘participation’ (such as reproductive and other unpaid care work) could constitute a basis for entitlement. This, the argument goes, would remove the ‘surfer problem’ and shield the mechanism against the ‘free-rider’ objection.

Framing a basic income as a ‘participation income’ transforms it into a transaction and turns reciprocity into something of a contractual
relationship, in which a person receives a monetary reward in return for performing some action or role. This is quite different from the idea of a basic income as an entitlement or a just dividend. But Pateman seems correct to insist that a preoccupation with specific kinds of ‘free-riding’ should make way for ‘an examination of how to reinforce reciprocity in the sense of mutual aid across the social order.’ In the absence of large-scale, real-world evidence, it is not year clear how a UBI would underpin or support such extensive reciprocity. But it is clear that the ‘something-for-nothing’ objection is widespread. The sense that a UBI offends, even violates a basic ‘moral bargain’ carries considerable reflexive power and should not be underestimated. A viable case for a UBI has to address this objection (a matter we return to in Chapters 5 and 6).

UNDERMINING WORKERS’ STRUGGLES

Another perceived threat troubles progressive critics of a UBI, especially those linked to the labour movement. They fear that a UBI might undermine collective bargaining rights, partly because the UBI demand would absorb attention, resources and organising energies at the expense of workplace and other struggles for workers’ rights. In this critique, a UBI at best functions as a minor palliative that offers some individuals an opportunity to temporarily opt out of wage labour, while subsidising low-end wages and leaving labour relations structurally intact.

Critics like Alex Gourevitch and Lucas Stanczyk go further and dismiss the emancipatory potential of a UBI as an illusion. The power relations that are needed to achieve an adequate UBI, they argue, are not achievable under capitalism: those relations ‘presuppose an organized working class that already has effective control over the shape and the direction of the economy’. And that, clearly, is not the case. It is much more sensible, they insist, to mobilise the social and political power of poor and working people through labour organising than to focus it on a fantastical intervention like a UBI.
They may be correct in contending that an effective movement for progressive change cannot be built around a social policy demand. But that criticism also hitches the cart before the horse. A UBI would acquire much of its transformative power from the extent to which it links with and boosts other projects of progressive change. Set against current economic and social realities, Gourevitch and Stanczyk’s binary seems anachronistic and misplaced. The ongoing importance of labour organising is indisputable, but it has long ceased to be the sole or most decisive platform for mobilising and organising movements for progressive change.

By definition, trade unions are organisations of people who exchange their labour for wages and benefits. To the extent that a UBI destabilises the relationship between paid work and society, it fits awkwardly with the logic and rationale of trade unionism. Trade unions everywhere have struggled to adjust to the radical restructuring of work in capitalist economies over the past forty years. The support for a UBI among some trade unions in South Africa, for example, partly reflects this ongoing search for tangibly relevant ways to link employed workers’ struggles with those of unemployed people.

One can argue the converse to Gourevitch and Stanczyk’s claim: that better jobs are possible only if jobs are freely chosen, rather than being compelled by the demands of life in a capitalist economy. As discussed in Chapter 3, a UBI that enables unemployed low-wage workers to hold out for improved job offers can strengthen their bargaining power and that of their employed counterparts. To the extent that a UBI strengthens people’s ability to refuse unfair or exploitative wages and terms of employment, it boosts the collective power of workers.

**SURRENDERING LIFE TO THE MARKET**

Since a UBI involves the receipt of money that is then exchanged for goods and services in the market, charge critics on the Left, it would further commodify human life. It would reinforce, as Ana Cecilia Dinerstein
puts it, both the myth of the ‘free citizen’ and the social power of money, making it what she terms a ‘bad utopia’. The complaint carries intuitive force, yet it hinges on an oddly romanticised picture of current reality.

Almost the entirety of society, including impoverished people, engage in capitalist market relations as consumers, commonly by taking on and recycling debt. Cash money – or the lack of it – is central to the lives of low-income households, especially so when the option of subsistence agriculture is unavailable or unviable. In South Africa, low-income households spend about 35% of monthly income on food, according to the Pietermaritzburg Economic Justice and Dignity Group. The rest of their spending prioritises transport, electricity and energy, and education, as well as burial insurance, repayment of debts, and telecommunications (a ‘typical’ low-income household spends about R300 (or US$20) per month on mobile phone airtime). While some of those expenditures are subsidised and some could be communally produced (food, for example, and renewable electricity and energy), all currently involve some engagement in market relations and require payment in money. It is worth recalling, too, that waged work (the preferred alternative for UBI critics across the ideological spectrum) is profoundly commodified. While some labour contracts may include free or subsidised access to healthcare or transport or other benefits, one does not often hear the demand that wages should not be paid in money because this would unduly commodify workers’ lives.

However, concerns about the commodifying effect of a UBI are highly relevant for versions of a UBI that convert other forms of social provisioning into a single cash payment. This conception of a UBI is favoured on the Right and among some mainstream advocates. In the United States, for example, Andrew Yang (contender for the Democratic Party presidential nomination in 2020) proposed a ‘Freedom Dividend’ of US$1 000 per month, to be financed by consolidating some welfare programmes and implementing a 10% value-added tax. In that formulation, current welfare and social programme beneficiaries would have a choice between their current benefits or the basic income payment.
Similarly, Andy Stern, former head of the US Service Employees International Union, proposed funding a UBI by cashing out several major welfare programmes (food stamps, housing assistance, the earned income tax credit and more) and imposing a value-added tax on consumer goods. Such a UBI would lay even greater emphasis on individual risk and responsibility, a central tenet of neoliberal dogma. It would not only commodify the lives of impoverished people more thoroughly, but leave them more exposed to the vagaries of the market and deepen their insecurity. The UBI considered in this book complements rather than replaces free or subsidised healthcare and education and other provisioning of public goods.

The commodification complaint matters in another respect, too: when financial corporations are able to exploit cash transfer disbursement systems as entry points for profit-taking strategies. Even though large proportions of adults in South Africa are surplus to the labour needs of capital, they continue to be subjected to ‘secondary exploitation’ which typically is achieved through debts and rents. Under the mantle of ‘financial inclusion’, financial corporations use cash transfer systems to draw low-income beneficiaries into credit markets. Shifts to electronic payments of cash transfers have provided finance and technology firms with new opportunities to lock welfare recipients into predatory credit relationships.

This happened in South Africa in 2015–2017, in a telling example of financial capitalism’s pursuit of ‘commodification all the way down’. The contract for disbursing social grants nationally was held by Cash Paymaster Services, a subsidiary of the transnational corporation Net1. The latter partnered with another transnational corporation, Grindrod Bank (owned by the Remgro multinational), to administer the bank accounts of beneficiaries. Many of the bank accounts in which beneficiaries received their social grants were linked to payment channels for pre-paid electricity, water and mobile phone credit. Recipients were also targeted with offers of loans and advances against their cash transfers. The linkages made it possible to directly debit beneficiaries’ accounts to settle debts, some of which were owed to subsidiaries of Net1. From
the companies’ point of view, the arrangement seemed near-perfect: recipients had ‘no ability to default, as Net1 exerted near total control over [their access to] social grant payments’, as Erin Torkelson noted.\textsuperscript{125} The corporation also used its access to the millions of grant beneficiaries as a marketing and advertising resource.\textsuperscript{126}

Such predatory strategies can be avoided or undone, at least partially. In the South African case, community activists joined with the Black Sash, a campaigning non-governmental organisation, to launch successful lawsuits against Net1. That led to the company losing its disbursement contract, and distribution of cash transfers was brought back under public control via the national Post Office. However, by creating a new financial services platform for low-income earners, Net1 went on to capitalise on its access to grant recipients and was able, in Samantha Ashman’s description, to ‘build a customer base which is now independent of the state contract for social grants … and [to turn] social grants into collateral to receive loans and to acquire debt’.\textsuperscript{127} Nonetheless, more than 70% of grant recipients now receive their payments in ways that do not allow for automatic deductions.\textsuperscript{128}

Ferguson questions another assumption implicit in the ‘commodification’ objection, specifically the notion that money contaminates a ‘money-less solidarity’ which is said to typify relations in poor communities.\textsuperscript{129} In reality – and this is evident in South Africa and elsewhere – that solidarity takes diverse forms, including cash-based distributional networks (such as ‘stokvels’, or informal loan schemes, and burial societies) that help sustain livelihoods and prop up social personhood. This is borne out also in Michelle Williams’ research among social grant recipients in the Eastern Cape province, which found that the cash payments circulate promiscuously within local communities.\textsuperscript{130}

Thus the allegedly commodifying effect of a UBI can operate in another direction if the payment enables people to engage in activities that are decommodified – volunteering, care work, studies, hobbies, food cultivation, home repairs and improvement, artisanal production, recycling and energy generation are a few examples. There is a potential,
rich interplay between a UBI and the community economy strategies promoted by JK Gibson-Graham and others. Highlighting the affinities between a UBI and community economies, Mary Lawhon and Tyler McCreary suggest that

the economic security provided by a UBI enables experimentation with alternative economies and an income that might supplement the higher production costs of some locally produced goods.

This is especially relevant in the context of climate change shocks, economic instability and social crisis. A UBI, even though paid in the form of money, has the potential to serve as more than sheer ‘income’. It can offer a platform for creating and participating in socially relevant work and productive activities, including cooperative production, and it can serve campaigns and actions in pursuit of local social and economic change. Those potentials should not be exaggerated, especially if the payment amount is small. But even a modest UBI could provide a basis for local and democratised production and exchange alongside the dominant circuitries of the capitalist economy, and for anchoring and broadening people’s repertoire of social, economic and other activities.

IS A JOB GUARANTEE PREFERABLE?

The option of a job guarantee is frequently presented as a more desirable alternative to a basic income, not least because it aligns with prevailing waged work-centred frameworks. A job guarantee scheme is a direct public employment policy, managed by the state, which offers a guaranteed job to all people who are willing and able to work. It maintains the link between employment and income, with the state acting as ‘employer of last resort’ by creating a buffer stock of jobs that fluctuate in line with private sector employment trends.
Proponents claim a job guarantee would be at least as effective for achieving many of the stated objectives of a UBI, while being more affordable, productive, socially desirable and morally supportable. They predict a slew of advantages. In Pavlina Tcherneva's view,

a well-structured guaranteed employment that offers opportunities for meaningful work at a living wage, counters the precariousness of the labour market by eliminating unemployment, drastically reducing poverty and enhancing the individual freedom to say ‘no’ to bad jobs.\(^{135}\)

According to the US Center on Budget and Policy Priorities, a national job guarantee would eliminate working poverty, revive the tax base, support the provision of socially desirable goods and services, and have a stabilising macroeconomic effect (since it would expand and contract in inverse relation to the private sector labour market).\(^{136}\) Even though a job guarantee may be administratively costly,\(^{137}\) it would be considerably cheaper than a UBI.\(^{138}\) Supporters also claim it would be ‘self-targeting’. Since well-off individuals are unlikely to take up job guarantee employment, the scheme would reach and benefit very poor people, who would ‘self-select’ as job guarantee beneficiaries. In satisfying the demand for a ‘right to work’, a job guarantee would combine the material benefits of cash income with the intangible, affective rewards of enhanced self-worth, social status and inclusion.\(^{139}\) By substituting wages for welfare, it would neutralise the ‘something-for-nothing’ objection that is levelled against UBI proposals.

A job guarantee is also expected to push up the minimum wage. In a competitive labour market, a job guarantee that assures any eligible person a job with a prescribed wage and benefit package would establish the floor for wages and benefits in the private sector. Since workers would be able to reject work offers at lower wages, private employers would have to raise their employment offers accordingly.\(^{140}\) Advocates believe these schemes could help stabilise the economy by guaranteeing incomes during
downturns, and they could bring supply-side benefits by maintaining skills levels and keeping unemployed workers connected to the labour market. In more visionary scenarios, a job guarantee and/or a job-share programme could be linked with a shorter work week, so everyone who wants to work can do so. In this manner, a job guarantee could invert the conventional approach to job creation in capitalist economies: instead of hinging access to work on a market-driven demand for labour, it would manipulate the demand for labour to the needs of workers.

A job guarantee programme could also be synchronised with forward-looking development strategies – for example, with a low-carbon industrial strategy, environmental protection programmes, and with more equitable labour market inclusion (favouring women and excluded minorities). Whereas the ‘greening’ impact of a UBI is unlikely to be direct and would depend more on tax and other financing mechanisms such as a carbon tax, a job guarantee could achieve a more direct impact if the jobs were designed explicitly to advance environmental objectives. Antoine Godin modelled a ‘green’ job guarantee in the United States (including retrofitting insulation in public buildings and other ‘eco-friendly’ work) and found it to be cost-effective for the public purse.

An important criticism is that the jobs on offer are likely to be makeshift and ‘artificial’, though that risk can be reduced if the scheme is embedded in democratic decision-making in communities. This would hold especially for ‘green’ jobs. A job guarantee can service and democratise local development if it is aligned with democratic local institutions and processes that decide development strategies at local levels. A job guarantee would not introduce those conditions, but it could support and deepen their impact.

**Critiques of a job guarantee**

A job guarantee conforms with the view of waged work as a central basis for social merit and belonging, and with the view that paid work is a morally necessary condition for cash transfers to poor people (which also underpins the concept of workfare). Bill Mitchell and Thomas Fazi, for example, prefer a job guarantee to a UBI on the basis that it offers ‘dignity’
in addition to cash and is not vulnerable to objections about ‘free-riding’,\textsuperscript{144} while Tcherneva has argued that a job guarantee would offer empowerment and validation which welfare programmes lack.\textsuperscript{145} Embedded in such claims is the assumption that the act of working itself fulfils basic rights (rather than potentially enabling one to realise those rights).

Although a job guarantee is sometimes characterised as a ‘right to work’, advocates prefer framing in terms of a ‘duty to work’ – a duty which, they argue, carries potential social and economic benefits, and promotes social solidarity. Nonetheless, given that job guarantee schemes are likely to involve low-productivity and low-wage state-sponsored jobs, it is not clear how they will, in essence, differ from workfare (where people are required to work for welfare benefits). Matt Bruenig has warned that a job guarantee would, by design, function like a workfare programme.\textsuperscript{146} He argues that the kinds of jobs appropriate for a programme that serves as an ‘employer of last resort’ are not likely to be ‘good’ or desirable ones, and will be suitable only for low-skilled workers. It is likely that business employers would prefer to limit the remit of a job guarantee scheme to only those jobs which the private sector cannot or will not provide. They would also prefer that wages are set at levels that do not generate competition with low-wage private sector jobs. Schemes of that sort are unlikely to yield the potential benefits that attract supporters to the concept. Martin Ravallion’s review of existing schemes lends weight to those concerns, prompting his observation that

having a good and worthwhile job no doubt adds to one’s satisfaction with life, but that is not as a rule the type of work provided in workfare schemes in poor countries. That work is typically, and deliberately, unpleasant.\textsuperscript{147}

In Bruenig’s view, the job guarantee is essentially a revival of the ideal of full-time, full employment – an elusive goal which was at the centre of the New Deal in Depression-era United States, and which shaped labour market policies in many other countries in subsequent decades.\textsuperscript{148} It gained renewed attention in 2020 when it was included as a plank in
the presidential candidacy of Bernie Sanders.\textsuperscript{149} These kinds of proposals are grounded in the assumption that people ‘deserve’ a livable income insofar as they are willing to perform waged work. That value claim is built into a job guarantee, even versions that focus on care work, community-building and ‘green’ jobs. It ties subsistence to wage labour and deepens the stigmatising gap between ‘productive’ and ‘unproductive’ individuals. Unlike a UBI which, as Gillian Hart has noted, ‘lacks points of leverage for instilling in its recipients the “correct” attitudes and aspirations’, a job guarantee is invested with strong disciplinary overtones.\textsuperscript{150} Referring to public works programmes in South Africa, Shireen Hassim has highlighted an in-built normative choice in the emphasis on public works programmes as opposed to expansion of the scale of welfare benefits that sets up a two-tier system of benefits, with people on work-related programmes treated as ‘deserving poor’ and those on welfare (and particularly mothers drawing the child support grant) as either passive dependent subjects or cunning exploiters of the system.\textsuperscript{151}

A job guarantee poses significant practical questions and concerns, too. Experience shows that the programmes are administratively burdensome, unexpectedly expensive, frequently wasteful and difficult to target accurately at households that are most in need. They are also prone to capture by local elites and potentially can be reconfigured in ways that depart from the original visions of their proponents. A job guarantee can also be used to tie access to social provisioning to work requirements. In addition, if private sector companies (including companies contracted by the state) are able to draw on job guarantee-funded labour, the scheme could function as a disguised state subsidy to capital – though Tcherneva believes this can be avoided by targeting job guarantee activities at social provisioning (‘production for use’ rather than ‘production for profit’).\textsuperscript{152}

**What happens in the ‘real world’?**

Real-world examples of job guarantee programmes have received uneven reviews. Argentina’s Plan Jefes, for example, has been evaluated
favourably, while India’s National Rural Employment Guarantee Act has earned less glowing assessments. Introduced in 2002 in response to a severe economic crisis, the Argentinian scheme was aimed at heads of households, offering them four hours of work per day. It employed about 13% of the country’s labour force (approximately two million workers) and was rolled back as the national economy improved. Remuneration was set a little below the minimum wage for unskilled workers. Evaluations have shown that the programme helped beneficiaries (most of whom worked in community projects) avoid or escape indigence and that its positive impact extended beyond increased incomes. People were able to identify unmet needs in their communities and help develop suitable jobs, including in day care, public libraries, after-school activities, artisanal production, and environmental clean-up and recycling. 153

India has undertaken similar interventions, in the shape of employment guarantee schemes, the first of which began in Maharashtra state in 1973. That scheme was scaled up nationally in 2005, via the National Rural Employment Guarantee Act, which (in theory) guarantees at least 100 days of waged work to each household per year and enshrines the right to work in law. The work is typically unskilled manual labour that is performed in labour-intensive public works projects. 154

According to Tcherneva, the Indian programme has reduced the pay gap between men and women among the poor and has helped raise wages for low-income private sector workers. 155 However, Ravallion noted the high administrative and management costs associated with the programme, its capture by local leaders (who rationed and used access to jobs for political and personal gain), as well as other forms of corruption. 156 The overall impact on poverty appeared to be small when set against the administrative and other costs (which tend to be very high in decentralised programmes). In Bihar state, the Indian programme reduced rural poverty by about 1%, 157 much lower than the predicted 14% reduction. 158 In addition, the programme failed to provide work to everyone who needed it, failed to pay them on time, and was costly to implement. There is some evidence that the scheme has worked better in other states (including
Andhra Pradesh), where it has been associated with some wage gains.¹⁵⁹ Overall, according to Ravallion, the evidence suggests that India’s Employment Guarantee Schemes have been less cost effective in reducing current poverty through the earnings gains to workers than one would expect from even untargeted transfers, as in a UBI. This calculation could switch in favor of workfare schemes if they can produce assets of value (directly or indirectly) to poor people, though the evidence is mixed on this aspect of the schemes so far in India.¹⁶⁰

In South Africa, a job guarantee programme has not yet been attempted, though a national public works programme has evolved through several iterations. Anna McCord’s research findings caution against exaggerated expectations.¹⁶¹ She has noted that South African and international evidence suggests that public works programmes tend to provide respite from poverty for participants and reduce the depth of poverty during employment, but that the effect soon wanes and that very few participants transition to full-time jobs. Complementary social development interventions are needed to achieve a lasting impact.

Analysing recent data from the Expanded Public Works Programme (EPWP) in South Africa, Christi van der Westhuizen has highlighted the small proportion of unemployed South Africans who have benefitted, and the evidence that the EPWP may be undermining the provision of decent jobs, replacing them with precarious, underpaid employment.¹⁶² Other researchers have concluded that South Africa’s wage-subsidy and public work programmes have failed to make an impact on either unemployment rates or inequality.¹⁶³ Those findings match earlier concerns about the South African state’s capacity to effectively target the public works programmes towards the poorest sections of society and to efficiently administer them on the scale needed. After reviewing the early phases of the EPWP, Charles Meth described as ‘hollow’ the claim that the EPWP was functioning as an ‘employer of last resort.’¹⁶⁴
Combining a job guarantee and basic income

The respective attractions and drawbacks of a job guarantee and a UBI tempt the question whether the two schemes can be combined. Cynthia Estlund believes they are difficult to reconcile due to excessive cost and because they advance conflicting norms: the non-stigmatising right not to work versus the conditionality of paid work.165 The normative objection seems weak, though. The value-laden authority assigned to waged work will not disappear overnight, even when paid work is scarce – as is evident in South Africa. Those two norms will unavoidably coexist for some time. And they may be more compatible than is commonly assumed. For example, the demand for radically reduced but well-remunerated working hours simultaneously expresses both the right not to work and the right to work, by challenging the subjugation of human life to waged work.

Tcherneva also argues that the two mechanisms could be combined, and looks to the Jefes programme in Argentina for clues on how to do so.166 That programme started as a quasi basic income scheme. Once registered, unemployed heads of household immediately began receiving income payments (until the jobs programme was up and running, at which point they took up their public sector jobs). In combination with a range of other income guarantees (child grants, old-age pensions, disability allowances and so on), the job guarantee programme would guarantee an income to all, but require able-bodied persons to perform community work.

An approach proposed for South Africa goes much further.167 Its social policy elements hinge on an interplay between a series of guaranteed income payments (the existing social grants plus a new caregiver grant and an unemployment grant) and continued expansion of the extended public works programme until the latter becomes an employer of last resort by 2030. The difference between the unemployment grant (about R1 000 or US$70 per month initially) and the public works wage (about R3 500 or US$235 per month) would counter any disincentivising effect the grant might have on job seeking. Crucially, the interventions would occur alongside an ambitious set of macroeconomic, trade and industrial
policy changes, as well as a major public–private investment initiative targeting selected, mainly manufacturing, sectors. The modelled outcome for this scenario foresees uptake of the unemployment grant steadily declining as job creation increases. The combination seems promising as a way to reduce poverty, though it would be an administratively complex and expensive undertaking. Moreover, it is anchored in a waged work framework, which deprives it of the liberating potential of a UBI.

A more innovative way of blending the two options would be a participation-based income guarantee, which Tony Atkinson has proposed. Eligibility for the basic income would be based not on citizenship or residence, but on ‘participation’ – a conditional basic income, in other words. ‘Participation’ would be defined liberally as a verifiable commitment – a ‘contribution contract’ with the local community, for instance – to support and contribute to one’s community through, for example, care work, teaching, mentoring and so on, or to perform other socially useful activities such as studying or undergoing training. This has the advantage of being decentralised and of linking a basic income to local community dynamics and needs, and to a sense of localised belonging and mutual obligation. The approach would be compatible with collaborative and participatory ‘civic economy’ approaches where people together identify local needs and conceive and implement socially useful projects. As such, according to Carolyn Kagan, it would challenge ‘conventional thinking about work, social protection and participation’.

Those kinds of outcomes are highly desirable, though the approach invites a temptation to monitor and enforce participation, thus retaining the coercive characteristics of workfare and conventional welfare programmes (at considerable administrative cost). Even if the supervision is ceded to local community organisations, a coercive potential and opportunities for corruption remain. Democratised and vibrant civic life and governance could avert or resist capture by local economic and political elites, though this can be difficult to achieve in settings of extreme inequality and dire need. It would be less risky to part with the participation requirement – which effectively would convert the scheme to a UBI.