



A. Jäger and D. Zamora Vargas, *Welfare for Markets. A Global History of Basic Income*, Chicago, The University of Chicago Press, 2023, 258 pp.

Julio Lucena de Andrés

Universitat de Barcelona ✉ 

Andreu Puigvert Domingo

Universitat Autònoma de Barcelona ✉ 

<http://dx.doi.org/10.5209/rpub.96261>

Anton Jäger and Daniel Zamora Vargas offer a comprehensive historical analysis to elucidate the intellectual and political foundations of the *Universal Basic Income* (UBI) proposal within the temporal framework ranging from the interwar years to the post-war years of the 20th century. The first unavoidable aspect to consider about this work is that its historical approach deviates from the conventional method commonly employed to trace the origins of UBI. The authors, far from writing a stylized history purely focused on isolated ideas¹, contextualize their work within the significant debates and institutional configurations that have influenced the development of societal structures during the pivotal years of the 20th century. Thus, the proposal of UBI is not understood except in the light of major political and economic projects such as the New Deal or the post-war consensuses that shaped the “reformed capitalism” of the *trente glorieuses*.

Simultaneously, this work avoids historiographical proposals that seek to claim the existence of continuity between the UBI and other historical proposals, which, according to the authors and borrowing a phrase from Wittgenstein, only share a (distant) “family resemblance”. In this sense, to study the political and intellectual foundations of the UBI, this book invites us not to fall into “imprudent teleologies” and, consequently, not to see more than what truly exists in various experiences of the past. Whether these experiences are drawn from the Greco-Roman classical world—such as the republican-democratic case of the Athenian *misthos* (μισθός)—or from the dawn of contemporaneity—such as Spence’s or Pain’s *Agrarian Justice*.

Differing from these proposals and according to the authors, the first formula that can be considered the origin of the UBI was Milton Friedman’s *Negative*

Income Tax (NIT). That is because Friedman’s NIT, “unlike its predecessors”, “openly rejected any behavioural control of recipients and an emphasis on work”². This idea, during the 1940s, consisted of a radical change in vision with respect to the classic functions attributed to the Welfare State. The State would no longer have to guarantee the satisfaction of collective needs. On the contrary, its objective had to be to guarantee a basic income floor so that each citizen could freely choose how to maximize his or her individual preferences. This approach called for a change in the design of social benefits: they were to be in cash instead of in kind. This would be the only political alternative to ensure the necessary means for material subsistence without falling into a paternalistic position. However, Friedman’s original idea was not a great success in its early years. The triumph of this new point would not be established until a few decades later.

In the course of the first fifteen years after World War II, a phenomenon occurred in the US. During those years, the social protection model that prevailed in that country had continued to follow the basic premises of the New Deal. These consisted of focusing on “[s]ervices, labor market regulation and full employment policies”³. However, the key issue was that its impact on poverty was drastically reduced compared to its original success in the 1930s. Thus,

¹ As in the case of the well-known work of P. Van Parijs and Y. Vanderborght, *Basic Income. A Radical Proposal for a Free Society and a Sane Economy*, Harvard, Harvard University Press, 2019.

² A. Jäger and D. Zamora Vargas, *Welfare for Markets. A Global History of Basic Income*, Chicago, The University of Chicago Press, p. 35. Regarding the authors’ decision to place the origin of UBI in Friedman’s proposal, one could raise the critical question of whether the justification they provide is sufficient to consider it more legitimate than other alternatives. This issue will not be addressed in this article, as our commentary will focus on other aspects of the work. However, for an interesting and rigorous exploration of the matter, see A. T. Camporesi, “Welfare for Markets: A Global History of Basic Income. By Anton Jäger and Daniel Zamora Vargas. Chicago, IL, and London, UK: The University of Chicago Press, 2023”, *The Journal of Economic History*, 84(1), 2024, pp. 317–318.

³ Jäger and Zamora Vargas, *op. cit.*, p. 57

in the 1960s it became clear that the ever-increasing rates of social spending on basic services and the other central measures of the New Deal model were not synonymous with a positive impact on the lives of many Americans. On the contrary, large communities of poor people settled in many US cities, confirming that poverty had become an autonomous social phenomenon, endowed with a distinct social physiology, and not susceptible to the public and social policies that had been developed in the past.

It was in this context that Friedman's idea was revitalized, gaining a strength that eluded it two decades earlier. In this sense, "the growing aura of basic income as an inevitable policy solution, then, was part of a wider transformation of the categories that had shaped postwar policy making"⁴ in America. Nevertheless, the triumph of the logic of cash transfers and non-paternalistic social intervention was not limited to the American reality. These ideas migrated transatlantically to the old continent, and were received by left-wing political and intellectual position.

The authors point to the convergence of two parameters for the flourishing of the UBI in Europe from the 1980s onwards: a *left anti-statism* and a *postwork sensibility*⁵. These parameters or sets of ideas seduced a number of authors and intellectuals who sympathised with the anti-statism and postwork sensibility underlying UBI. In this sense, some of the names mentioned in the book include T. Adorno, I. Illich, M. Foucault, A. Gorz, and P. Van Parijs.

Probably, these last two authors, André Gorz and Philippe Van Parijs (especially the latter) have been two of the greatest exponents of UBI: the former, although at the beginning of his intellectual career he was reluctant to the proposal, later defended the value of UBI to free up "life time" to devote to self-determined activities and to re-found a conception of work that surpasses the capitalist productivist version. The second, Van Parijs, has probably made one of the strongest normative defenses of UBI from a liberal-egalitarian approach, and still today, he remains one of the most recognized international advocates for UBI. However, after this initial reception by the European left-wing intelligentsia, throughout the 1990s, the advocacy for UBI and the commitment to policies based on cash transfers reached other latitudes.

In this sense, the *cash-transfer state* strategy migrated to the countries of the Global South in an attempt to deal with structural problems such as informal labour markets, low investment capacity, lack of control over resources or subalternity in international trade vis-à-vis the Global North⁶. A key figure in this translation process –both intellectually and in terms of the practical design of this policy– as well as in the renewal of development and welfare studies has been Guy Standing. The SOAS professor was instrumental in the pilots in South Africa, India... and was one of the founders of the Basic Income Earth Network (BIEN).

In relation to the *cash-transfer* hypothesis, Anton Jäger and Daniel Zamora Vargas argue that the IMF

and the World Bank were heavily involved in its success, playing an active role in promoting this change in the logics of social protection and welfare: from a strategy of industrialization and import substitution in the 1950s and 1960s, a market-friendly formula based on cash transfers and the policy goal of eradicating absolute poverty was adopted in the 1980s and 1990s⁷. As a consequence, the ambitious objective of transforming the productive and distributive structures in the countries of the Global South through an industrialized state was abandoned and the way to "welfare for markets" was cleared.

Welfare For Markets publication is framed in a post-pandemic intellectual climate where the return of the state – 'neo-statism' borrowing Paolo Gerbaudo's denomination⁸– and industrial policy are the focus of numerous intellectual debates in the face of the growing retreat of neoliberal hegemony.

In this intellectual landscape, we ask ourselves whether cash transfers to individuals (eventually in the form of UBI) are compatible with a welfare state that guarantees (universal) basic services or, on the contrary, whether both are antagonistic visions of welfare which entail a differentiated vision of the role of the state and the market(s).

For reasons of space, we cannot go into as much depth as we would like to on these issues, but we limit ourselves to stating that an emancipatory project that seeks to transform the ways of organizing social (re)production has to incorporate both doses of state-led planning as well as decentralized monetary transfers such as UBI, in addition to many other components such as work-time reduction or the commons.

Milena Büchs⁹ and Anna Coote¹⁰ defend the compatibility of both welfare strategies and affirm that UBI and Universal Basic Services are "two sides of the same coin". Building upon Louise Haagh, Tom Malleson and David Calnitsky¹¹ emphasize the relevance of the *background conditions* when addressing UBI: "Friedman's (2013) version of a BI that dismantles much of the welfare state and Van Parijs and Vanderborgh's (2017) version, which supplements a robust welfare state, will produce fundamentally different outcomes in people's lives. Calling both of these proposals "BI" *simpliciter* is deceptive and inaccurate". From our perspective, Anton Jäger and Daniel Zamora Vargas do not sufficiently differentiate between these two versions of UBI.

The joint introduction of UBI and a robust welfare state in the form of universal basic services would help to compensate for the deficits or unintended consequences of each of them if they were introduced separately: on the UBI side, some potential disadvantages of its introduction *tout court* are

⁴ *Ibidem*, p. 57.

⁵ *Ibidem*, p. 57.

⁶ *Ibidem*, p. 131.

⁷ *Ibidem*, pp. 135-136.

⁸ P. Gerbaudo, *The Great Recoil: Politics After Populism and Pandemic*, London, Verso, 2021.

⁹ M. Büchs, "Sustainable welfare: How do universal basic income and universal basic services compare?", *Ecological Economics* 189, 2021, pp. 1-9.

¹⁰ A. Coote, "Towards a Sustainable Welfare State: The Role of Universal Basic Services", *Social Policy and Society* 21(3), 2022, pp. 473-483.

¹¹ T. Malleson and D. Calnitsky, "Which Way Forward for Economic Security: Basic Income or Public Services?", *Basic Income Studies* 16(12), 2021, p. 4.

atomization, consumerism¹², re-commodification¹³, the irrationality of certain individual decisions product of information asymmetries, etc. and, on the welfare state / universal services hypothesis, the possible negative effects are arbitrariness and prescriptive character derived from an excess of state intervention, inefficiency as a preference coordination mechanism and paternalism¹⁴.

In short, we consider it more productive to understand the welfare state based on universal services and UBI as a *continuum* of proposals ranging from collective and centralized provision of services to individual cash transfers, rather than as two opposing welfare strategies.

Finally, we would like to point out that the argument that UBI and a strong state in terms of public services and market regulation mechanisms would be competing welfare models may be the result of certain confusions arising from the authors' assertion that "the UBI is a market-friendly policy". The main problem of this assertion is that it remains at a level of excessive generality. Thus, perhaps a more incisive approach to the broad concept of "market" may provide reasons to, at least, clarify a little more the relationship between the UBI, the State and markets.

The authors of the book state that the UBI is a market-friendly policy because it allows individuals to obtain a certain amount of money to satisfy their needs through the purchase of products in various goods and services markets. However, they omit that

not all markets have the same nature and, depending on this nature, the considerations they may deserve are different. In this regard, and depending on the specific policy design, UBI could influence the functioning of a very specific market, the one that is surely the most important in organizing the operational structures of contemporary capitalism: the labor market. With respect to this, the concern lies not in individuals abstaining from the participation of markets but in the fact that they need not commodify their labor to acquire the necessary funds for accessing particular goods.

Following one of Karl Polanyi's¹⁵ main theses, what is truly problematic for human societies is not the existence of markets, but rather the dominance of markets shaping the course of human life by precisely commodifying the human labor – or, in other words, to treat human labor, fictitiously, as something it is not, a commodity. Thus, it seems unjustified to assert, without nuance, that UBI is a "market-friendly" policy. UBI should be considered a "friend" to only certain markets and "adversary" to the market most cherished by capitalism. Therefore, this Manichean view of UBI as a policy solely aimed at creating what is referred to in the book as "sovereign consumers"¹⁶ is overly simplistic.

On the contrary, its ambivalent nature renders UBI not an infallible antidote but rather one more prescription within a broad array of alternatives to confront the harmful progress of capitalism.

¹² A. Coote, "Universal basic services and sustainable consumption", *Sustainability: Science, Practice and Policy* 17(1), 2021, pp. 32-46.

¹³ A. Gourevitch, "The Limits of Basic Income: Means and Ends of Workplace Democracy", *Basic Income Studies* 11(1), 2016, pp. 17-28.

¹⁴ D. Casassas, *Unconditional Freedom. Universal Basic Income and Social Power*, London, Pluto Press, 2024.

¹⁵ K. Polanyi, *The Great Transformation. The Political and Economic Origins of Our Time*, Boston, Beacon Press, 2001.

¹⁶ Jäger and Zamora Vargas, *op. cit.*, p.178.