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Why Trade Unions Oppose Basic Income*

Yannick Vanderborght

*Belgian Fund for Scientific Research (FNRS), and
Hoover Chair, Université Catholique de Louvain*

Abstract – In most OECD countries trade unions remain key players in the field of welfare state reform. And yet, surprisingly little attention has been paid by proponents of a universal basic income (BI) to the very position of workers unions on the radical reform that they are advocating. This paper tackles this issue in three complementary ways. First, it offers a brief overview of the (scarce) literature on basic income and trade unions. Second, it focuses on plausible arguments that could be used by trade unions to oppose or, alternatively, support a basic income. Finally, empirical information collected in Belgium, Canada, and the Netherlands is used to test the robustness of the theoretical assumptions. These investigations demonstrate that trade unions are far from being natural allies of BI advocates within developed welfare states. As evidenced by the Belgian case, they can even constitute a significant obstacle to the political progression of the idea.

Keywords – guaranteed income, income distribution, political feasibility, trade unions, social policy.

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The introduction of such an unconditional income is to be viewed not as the dismantling but as the culmination of the welfare state.

—Philippe Van Parijs (1992)

1. Introduction

In most OECD countries trade unions remain key players in the field of welfare state reform. In Belgium and Scandinavia, where they still represent a large majority of the workforce, they are traditional and pivotal partners in the policy-making process. In other countries, even those with low union density (such as France) they are often able to mobilize mass support in favor of the status quo, sometimes through huge demonstrations and paralyzing strikes. But surprisingly little attention has been paid by universal basic income (BI) proponents to the very position of workers' unions on the radical reform that they are advocating.

This paper, which draws upon a study of the political feasibility of an unconditional minimum income in industrialized countries (Vanderborght, 2004), tackles this issue in three complementary ways. Section 1 offers a brief overview of the (scarce) literature on BI and trade unions. Section 2 focuses on plausible arguments that could be used by trade unions to oppose or, alternatively, to support a BI. In Section 3, I use empirical information collected in Belgium, Canada, and the Netherlands to test the robustness of the theoretical assumptions. The final goal of this exploration is prospective: are trade unions likely to facilitate the gradual implementation of a BI in OECD countries, or are there reasons to think that the reverse shall be true? Are trade unions – still the most important and efficient opposition to neoliberal attacks on the welfare state – too conservative when considering the emancipatory potential of a BI? As it becomes clear at the end of this investigation, there is no single answer to this question, since specific institutional arrangements are of particular importance.

2. Trade Unions in the Basic Income Literature: A Short Overview

As mentioned above, in the BI literature little attention has been paid (to date) to the impact of trade unions on the feasibility of this controversial idea. A few exceptions are nevertheless worth mentioning.

In his well-known account of the political debates on US President Richard Nixon's Family Assistance Plan (FAP, 1969–1971), Daniel P. Moynihan (1973)

briefly focuses on the trade unions' position.¹ At the time, he recalls, the AFL-CIO (American Federation of Labor–Congress of Industrial Organizations) did not really oppose the negative income tax (NIT) plan designed by the White House. Quite the contrary, labor did regard FAP and other guaranteed income proposals as possible steps in the direction of a more integrated safety net. Yet, following its own agenda, the idea of introducing a higher minimum wage was given priority in the idea of government supplementation of wages, through a well-designed NIT schedule. "Labor was not stirred by the idea of a guaranteed minimum income", Moynihan writes. "Still it did not oppose FAP, either in public or in the committee rooms of the Congress, where its power was unmatched" (Moynihan, 1973, p. 276). In sum, even if heated debates on FAP took place in Washington, the most advanced elements of the labor movement "showed little interest in it", but did not overtly oppose it (Moynihan, 1973, p. 277). Thirty years later, a pilot study of UK trade union attitudes towards tax-benefit reforms also came to the conclusion that a guaranteed income scheme was not at the core of Labour's asked about their position towards a BI, British union leaders told the researchers that since BI was a "more remote prospect than ever", it was not worth considering seriously. In other words, the authors of the study argue, "the BI/CI [citizen's income] case is a good example of the relative neglect of long-term social policy issues by British trade unions" (Ziegler and Jordan, 2001, p. 4).

And yet, in a few industrialized countries BI has been endorsed by trade unions, sometimes in a very determined way. In this perspective the empirical research led by Dutch sociologist Rik van Berkel, who studied the position of trade unions with regard to the implementation of a BI in the Netherlands, is undoubtedly one of the most stimulating (see van Berkel, 1994; van Berkel et al., 1993). His work remains the most comprehensive study of the endorsement of BI by a labor union, and is discussed in more detail in the third section of this paper. It shows that in the 1980s the Dutch Union of Food Workers was one of the most efficient proponents of a BI in the Netherlands and abroad. In a few other studies the positive attitude of unions is briefly discussed, but not thoroughly analyzed. For instance, in an unpublished mimeo Stefano Sacconi (1992) presents an outline of the BI debate in Italy, and tackles the trade union issue. Strong and significant signs of interest in the idea, he writes, "have been shown by Italy's largest trade union organization, the CGIL [Confederazione Generale Italiana del Lavoro]". But inside the organization, Sacconi argues, the

¹ For further details on Nixon's Family Assistance Plan, see Quadagno (1990).

debate was promoted by the national research center, and BI never became an official policy.

Thus there is room for further comparative empirical investigation regarding the position of unions towards BI in industrialized countries.² From this perspective scholars could draw inspiration in designing research questions from the abstract models that have been developed by economists since the early 1990s. Loek Groot, for example, has devised a sophisticated analysis in which he shows that “if unions exhibit a strong willingness to tradeoff net wages and employment, the BI scheme of social security is superior (especially with regard to wage inequality and the level of employment) to the present arrangement of conditional social security, even if there is a significant fall in labor supply under the former” (Groot, 1999, p. 203). Again, at a more theoretical level, Klaus Zuehlke-Robinet (1991) has focused on reasons why a self-interested trade union should support a BI. Such a scheme, he argues, would be beneficial to the labor movement because it would affect the mechanism of the industrial reserve army (see Section 2 below). Belgian economist Bruno Van der Linden (2004) is less optimistic. The net effects of a *full* basic income (higher than the pre-existing unemployment benefit) financed by income taxation, he demonstrates, would actually be harmful for most union members, since it would require a significant increase of the tax rates in order to balance the state’s budget. This increase would, of course, be absorbed entirely by workers. But the impact would be different in the case of a *partial* basic income. Indeed, as is shown by Van der Linden’s simulation results, the latter could be seen as a Pareto improvement in a unionized economy: “The partial basic income increases the progressivity of the tax schedule and it favours in-work net income” (2004, p. 115).³

² Interesting test cases are found in Spain. Since the early 2000s, Ezker Sindikalaren Konbergentzia (ESK), a trade union in the Basque region, has defended the idea of an unconditional basic income. In Catalonia, the Comissions Obreres de Catalunya (CCOO) took a similar position in 2001. In the same vein, detailed studies focusing on developing countries could certainly help in understanding the logic of union support for, or opposition to, basic income. In their account of the South African debate between 1996 and 2002, for instance, Heidi Matisonn and Jeremy Seekings explain that “South Africa’s trade unions (and union-linked intellectuals) have played the leading role in calls for a BIG [Basic Income Grant]” (Matisonn et al., 2003, p. 65). The Congress of South African Trade Unions (COSATU) has officially recognised “that the Basic Income Grant will have a positive impact on [South Africa’s] economic growth and development, with positive implications for job creation” (Vavi, 2003). One could also mention that trade unions in Colombia have shown strong interest for the idea (Giraldo, 2003).

³ See also Van der Linden (2002). Van Parijs et al. (2000) were more sceptical about the potential of a partial basic income (PBI) regarding trade union support for the reform. Such a PBI might well favor in-work net income, as shown by Van der Linden, but Van Parijs et al. argue that “organized workers insist on protecting their net wages, not only their net incomes” (2000, p. 76).

Finally, Guy Standing, an economist with the International Labour Organisation, has published a paper that directly focuses on reasons why unions should support a basic income (Standing, 2004). Because of the changing character of work and labor in the context of globalization, Standing argues, unionists should no doubt make a BI a key part of their agenda.

3. The Ambiguities of Basic Income From a Trade Union Perspective

Starting from the short overview in Section 1, it is difficult to give a clear picture of trade unions' (potential) position towards a BI. Detailed studies are too scarce to allow for robust hypotheses. However, they provide a good starting point to show that, from a trade-union perspective, there are good reasons to be rather suspicious with regard to the introduction of such a scheme.

Let us assume that a BI scheme would replace existing means-tested minimum income schemes, the bulk of tax credits and exemptions, and be integrated with family allowances and, possibly, basic pension schemes. In the field of social insurance, BI would replace the bottom part of the earnings-related unemployment, pension, health and sickness benefits. The income floor it provides would remain supplemented by earnings-related benefits, designed to make up the difference between BI and current benefit levels. Its level would be close to 500€ per month. Why should unions support, or oppose, such a reform?

3.1 Collective and individual bargaining power

If the level of the BI is sufficient, it could easily be used (as part of or in total) as a source of funding for strike purposes. First, members' BI could be "taxed" by the union on a regular basis in order to raise the level of its strike fund, thereby increasing workers' relative power within the firm or branch. Second, even in the absence of such a mechanism, a BI would make each single strike less harmful financially, since workers would keep their entitlement to a guaranteed income floor outside the labor market. With a BI, strikers would be able to face long-lasting resistance from employers, and the collective power of unions would therefore be enhanced.

But BI would not only foster workers' independence in the case of strikes or crises. At a more micro-level, it also provides individual workers with a true, reliable, and unconditional *exit option*, hence fostering their own individual bargaining power. Even if their jobs remain the primary source of income, the existence of an income floor outside the labor market, without means testing or

work requirements, could lead them to negotiate for higher wages – even in the absence of a collective threat, such as a strike.

The first and second reasons to support a BI are thus both related to the power resources it would confer on workers, both collectively and individually.⁴ The existence of an individual exit option and the perspective of long-lasting conflicts with unions would force employers to preventively increase wages and improve working conditions and make jobs as more attractive as possible. This would, in particular, be true for most undesirable or stigmatizing jobs.

Prima facie, there are thus good reasons to believe that, in a BI scenario, employers would be gradually obliged to make jobs more attractive in the poorly paid end of the income distribution spectrum. But one should not too quickly conclude that a general increase of salaries is necessarily to be expected in the aftermath of the introduction of such a scheme. On the contrary, one could even assume that its implementation might well engage a downward spiral: employers could start lowering all wages, considering that a BI is providing the complement needed to reach the level of legal minimum wages. Under such a wage-deflationary scenario the latter would, inescapably, come under discussion.⁵

3.2 *The end of wage labor?*

Other reasons, still related to the exit option provided by the introduction of a BI, might justify trade-union suspicion towards a BI. It is sometimes argued that this exit option would offer new opportunities to those wanting to launch their own small business (Nooteboom, 1986). It would, in other words, facilitate self-employment. As a consequence, its implementation could foster a gradual decline of wage labor as the core of capitalist economies. If this were true, a BI would, for this very reason, erode the traditional basis of trade union influence and action.

More generally, the exit option provided by the unconditional income floor would negatively affect the cultural centrality of paid work (and the work ethic). If current employment remains the main source of social recognition, with a (sufficiently high), BI not only self-employment but all kinds of informal and care activities would become financially viable options (see, e.g., Jordan, 1989). Hence,

⁴ On the “power resources approach” in comparative social policy, see for instance O’Connor et al. (1998).

⁵ This scenario comes close to what James Meade advocated in his *Agathotopia* (Meade, 1989). The threat to the minimum wage legislation is precisely why French trade unions opposed any move towards the introduction of a tax credit targeted at low-paid workers in late 1990 (see, for instance, the position of Marc Blondel, a leader of Force Ouvrière, expressed in Nathan (2001).

they would receive proper social consideration, and wage labor would lose its central role in society. Presumably, unions might see this development as a threat to their own position, even if in recent years the labor movement has been much less reluctant to recognize the importance of informal activities in general, and care work in particular.

3.3 Job sharing and flexibility

Having heard the previous counterarguments, BI proponents could reply that the exit option is not likely to provoke a mass desertion of the traditional labor market. A BI policy would, rather, help lower the unemployment rate, partly because it is consistent with voluntary job-sharing – an objective that has been endorsed by major trade unions in Europe. BI has sometimes been described as the “soft strategy” to achieve this goal (Van Parijs, 1996, p. 65), in contrast with compulsory work-time reduction programs – as they were implemented in some European countries (notably France). BI makes it, indeed, easier for workers to take part-time jobs, or even to quit their job temporarily and go on sabbatical leave, since the revenue loss is partly offset by the guaranteed payment of an unconditional grant outside the labor market. Hence, a BI would help create jobs without worsening insiders’ positions, and without threatening the centrality of wage labor.

This is no doubt a plausible interpretation. But if a BI would facilitate part-time work, does it really follow that it constitutes a desirable path of reform from a trade-union perspective? BI advocates generally focus on opportunities: individual workers could choose to work for less, provided the guaranteed income floor is high enough. But in most cases, it might well happen that part-time work and flexible timetables will be imposed by employers, rather than being the result of workers’ increased individual autonomy. BI would then serve as a costly state-subsidized shock absorber, softening the harmful effects of an increasingly flexible labor market for the most vulnerable part of the working class through a higher taxation of gross wages of the middle-class.

3.4 The end of exploitation?

At a more general level, Philippe Van Parijs and Robert van der Veen argue that the implementation of a BI would open a “capitalist road to communism” (Van Parijs and van der Veen, 1986).⁶ In their view (at the time), capitalist societies have already reached the stage of “weak abundance”, and the gradual

⁶ See also the Retrospective “A Capitalist Road to Communism – Twenty Years After”, published in this issue.

introduction of a BI could allow workers to skip the stage of socialism (public ownership of the means of production) and go directly to the establishment of a communist society. Within this framework, raising the level of the guaranteed income to a maximal level would meet the Marxian criterion “from each according to his abilities to each according to his needs”. In such a scenario, of course, exploitation would not only be *diminished* through the increase of workers’ collective and individual bargaining power, it would simply be *abolished*. It would be difficult for unions to sweep this perspective aside.

But perhaps the most decisive reason to oppose a BI from a trade union perspective is that such a scheme would not, contrary to what has been asserted by Van Parijs and van der Veen, *abolish* exploitation; it would more probably change its very nature. The argument would then go as follows: in the case of a society with a BI, “the idle exploit the industrious by receiving an income generated (inter alia) by the activity of those who choose to work” (Reeve, 2003, p. 11). Seen from this perspective, the introduction of a BI widens the scope of exploitation: whereas in “classic capitalism” true exploitation remains the vice of a small minority, in “BI capitalism” exploiters would constitute a substantial fraction of the population. Incidentally, this has been the most controversial issue in philosophical debates about the proposal (Couillard, 2002).

4. What Do We Learn From the Empirical Investigations?

The overview presented in Section 2 aims at briefly clarifying some arguments. But it mainly shows that a detailed discussion of pros and cons of BI might throw union representatives into confusion. Should the introduction of a BI be considered a step towards the end of exploitation? Would a BI facilitate wage moderation? In order to further enlighten the issues raised by the shortlist of theoretical arguments, it is useful to go into the field and compare national debates. Keeping the theoretical discussion in mind, what do we learn from the empirical evidence?

Drawing upon a larger research on OECD countries, this second section focuses on three relevant national debates: Belgium, Canada, and the Netherlands. Note that BI has never been a hot item on union agendas in OECD countries.⁷ The explanation is quite obvious: in most countries BI has never been high on the *political* agenda. Why bother then, with the pet idea of eccentric academics? As was argued above in the case of British unions, in many countries

⁷ Compare Vanderborght and Van Parijs (2005, pp. 79–82) for a short overview of the discussions within unions in the OECD and in developing countries.

labor has often seen the proposal as “too remote a possibility to be worth considering seriously” (Ziegler and Jordan, 2001, p. 3). In a few cases, however, BI has been thoroughly discussed by workers’ representatives and, sometimes, even officially endorsed.

4.1 Belgium: “no basic income”!

With a unionization rate of approximately 60 percent, Belgium has no doubt some of the most representative trade unions in Western Europe.⁸ The two main confederations, CSC-ACV (Christian Unions Confederation) and FGTB-ABVV (Socialist Unions Federation), remain powerful in most sectors of the economy, and they are – directly or indirectly – involved in each substantial reform of the welfare state. They are not only able to mobilize workers on a large scale, they also benefit from privileged links with political actors, including MPs and ministers. Furthermore, they take part in formal institutions such as the National Labor Council (CNT-NA), as well as in the administrative management of social insurance programs, especially unemployment insurance.⁹

Belgium has played a crucial role in the BI debate. The Basic Income European Network’s (BIEN) founding congress (1986) and second international conference (1988) were held in Belgium, under the aegis of philosopher Philippe Van Parijs, author of *Real Freedom for All*. BIEN’s archives are located at the Université Catholique de Louvain. With social scientist Walter Van Trier and others, Van Parijs has advocated BI on many occasions in French- and Flemish-speaking parts of Belgium. One should also keep in mind that Belgium has the only European single-issue party focused on BI: Vivant, founded in 1997 by businessman Roland Duchâtelet, has participated in several elections and attracted public attention to the proposal. Belgium, no doubt, might thus represent an interesting test case regarding the political prospects of BI.

To put it crudely, it’s impossible to be recognised as a prophet in one’s own country. Belgium’s main trade unions have not shown much interest in BI, and on the rare occasions when they did they expressed very hostile opinions. From the very start of the discussion in the mid-1980s, the main confederation (CSC-ACV) attacked what it called a “silly and worrying utopia” (CSC, 1985). After almost 20 years of debate, some union officials are still among the most uncompromising opponents of a basic income. In January, 2002, CSC published a

⁸ According to Ebbinghaus (2004, p. 580), net union density in Belgium was 62 percent in 2002.

⁹ Compare Kuipers (2004, pp. 79–86) for a good overview of the role played by unions and employers in Belgian policy making.

preparatory report in anticipation of its national congress. It includes a section titled “No basic income” (CSC, 2002, p. 42).

What do Belgian unionists hold against the proposal? At least four grievances are worth mentioning.¹⁰ First, unions – in particular officials of Socialist Unions Federation – fear that the introduction of a BI would make it more difficult for them to negotiate wage increases with employers (Bodson, 2003, p. 2). Since a BI could be seen as an indirect wage subsidy, employers would urge union representatives to negotiate with public authorities and lobby their political allies in order to get a general increase of the BI level. A BI would, in sum, negatively affect the relative power of workers at the firm, branch, or federal level, especially if it were to be accompanied by the abolition of the minimum wage legislation. In saying that a BI would increase individual workers’ bargaining power, BI proponents seem to believe that the class struggle is *passé*, which is – Belgian unionists argue – obviously false.

Second, Belgian union officials also believe that the existence of a guaranteed income floor would justify further developments along the lines of increasing flexibility of the labor market. According to a FGTB-ABVV representative, BI advocates seem to accept that contracts for unlimited periods should be abolished, and that in coming decades “all work contracts would have to be short-term and precarious” (Wernerus, 2004, p. 47).

Third, in most writings and interviews, union representatives also express their commitment to selective and targeted schemes. They see these schemes as a better and more efficient way of using public resources that are massively sustained by the taxation of wages, be it through social contributions or the income tax. To provide a basic income equivalent to the level of the conditional minimum income (about €600/month in 2006), they say, one should substantially raise the tax rates, an unacceptable perspective for most workers. And if it were not the case, the system would be absurdly inefficient: some would have to work hard in order to pay for a miserable grant. Obviously, Belgian unions do not believe that a BI would abolish exploitation.

Fourth, Belgian unions are quite ambiguous on the question of work requirements. If both CSC-ACV and FGTB-ABVV have repeatedly opposed the strengthening of these requirements and the tightening of eligibility rules in unemployment insurance, they are not ready to argue in favor of a fully

¹⁰ This account is based on two main sources: sociologist Sabine Wernerus’s master’s thesis (Wernerus, 2004), which was based on fieldwork and interviews with union representatives, and part of my own PhD research (Vanderborght, 2004). I also benefited from discussions with union officials during a seminar on “Trade Unions Against Basic Income ?” organized by the Hoover Chair, (Université Catholique de Louvain, Belgium) on May 13, 2004.

unconditional benefit, even if it were targeted at the poor along the lines of a negative income tax schedule. It seems that the question of the optimal equilibrium between rights and duties of beneficiaries remains open. It is perfectly legitimate, CSC-ACV officials argue, to require that the able-bodied contribute to the production of collective wealth.¹¹

It would be unfair, though, to assert that Belgian unions are therefore only defending the interests of insiders. Most officials emphasize that the least advantaged should be helped, but stress that the poor need much more than the automatic payment of a basic income floor. They see the introduction of a BI as a crucial step that leads to a “slippery slope” – a massive disinvestment in social work. They fear that public authorities would progressively stop all programs aimed at socio-professional integration, which would further widen the gap between insiders and outsiders (compare, for instance, Bodson, 2003). And yet, union officials insist, paid work remains the crucial precondition for social recognition and self-esteem. Belgian unions thus remain unconvinced by the arguments of BI advocates. It does not mean, of course, that their reasons for adopting such a position are logically and universally valid. But it certainly means that in a country with such a high union density, the political feasibility of BI might well be very low, to say the least.

4.2 *Canada: the mixed feelings of Québécois unions*

In 2004 Canadian union density amounted to a small 25.1 percent average, with a peak of more than 40 percent in the French-speaking province of Québec – a very respectable rate by North American standards.¹² At the federal level, unions benefit from the fact that the Canadian electoral system, contrary to the US system, allows for the existence of a true labor party somewhere between liberal and conservative.¹³ However, the New Democratic Party (NDP) remains a small player on the political scene. Furthermore, the liberal character of the welfare system has always kept Canadian unions at the margins of the social policy debates (Banting, 1987).

BI has been widely debated in Canada. It had already been briefly on the agenda in the 1930s, thanks to the rise of the Social Credit Party, which came to

¹¹ Compare Palsterman (2005) for a balanced evaluation by a CSC-ACV official, of “active social policies” in the field of Belgian unemployment insurance.

¹² Canada: Human Resources Development Canada, 2005, “Union membership as a percentage of civilian labour force”, <http://www.hrsdc.gc.ca> [Accessed 30 March 2006]; Labrosse (2005, p. 2).

¹³ The description often made of the Canadian system as a “third party” system is not entirely accurate. In fact, with the passing of years, a fourth party, the nationalist Bloc Québécois, became a significant political force at the federal level.

power in Alberta in 1935. But the real discussion started in the 1960s, with a few social scientists inspired by the American debates on “demogrants” and the negative income tax (NIT). From the late 1960s until the early 1990s, the idea came up quite regularly in official publications at federal and provincial levels (especially in Québec), and in the 1970s NIT experiments were launched in Manitoba. At the end of 2000, Prime Minister Jean Chrétien even launched a BI trial balloon via newspapers such as the much respected *Ottawa Citizen*. Under catchy headlines, the press reported that the Federal PM had decided to set up an expert group to study the feasibility of a guaranteed annual income (GAI) in the Canadian context.¹⁴ But faced with harsh criticisms from the Conservatives, Chrétien quickly denied his part in suggesting the idea.¹⁵

What about trade unions? According to political scientist Rodney S. Haddow, “the [Canadian] union movement has always treated the GAI with considerable caution and viewed it as potentially antithetical to its social policy goals” (1994, p. 350). But it did not always take coherent positions on the topic, Haddow argues: “Organized labor’s early response to the GAI was *muted and confused*...it was *slow to form a coherent assessment* of the implications of a negative income tax for its program” (1994, p. 353). However, the publication in 1985 of a bulky and influential report by the Royal Commission on the Economic Union and Development Prospects for Canada (the so-called “Macdonald Commission”), which included a scenario for the introduction of a partial basic income, triggered harsh reactions. In 1986, the convention of the Canadian Labour Congress (CLC), Canada’s largest union confederation, expressed serious doubts about the desirability of such a reform and denounced its “neo-liberal character”. A BI, the CLC argued, was going to undermine the minimum wage legislation (Haddow, 1993). At the same time, Belgian unions were using the same sort of arguments to dismiss the idea.

The story is quite different, though, in the province of Québec. Michel Chartrand, a colorful – and tremendously popular – retired figure of the trade union movement, has been advocating BI for many years (Bernard and Chartrand, 1999).¹⁶ In 1999, the CSN (National Unions Confederation) – Québec’s main union in terms of membership – published a detailed and balanced study on BI in order to foster a peaceful discussion of the proposal. Even if other unions

¹⁴ See “Chrétien Wants to Leave Mark With Cradle-to-Grave Program of Guaranteed Annual Income” (*Ottawa Citizen*, December 9, 2000). In Canada, the expression “Guaranteed Annual Income” has mainly been used to refer to a negative income tax and, on some occasions, to a basic income.

¹⁵ For further details on the Canadian debate, see Vanderborght (2004, pp. 160–176).

¹⁶ Now retired, Chartrand was a leader of the CSN.

(FTQ and CSQ) did not undertake similar initiatives, they never expressed any hostility towards the idea of an unconditional minimum income. It does not mean, however, that they would support any move in that direction. Recent interviews with Québécois union officials have shown that they have mixed feelings about the possible introduction of a BI in Canada or Québec (Wernerus, 2004, pp. 36–39). Most of them do actually endorse the proposal on ethical grounds, but reject it for pragmatic reasons.

In Québec, union officials recognize that providing everyone with an unconditional income floor is a matter of fundamental rights. Contrary to their Belgian counterparts they do not put the very idea of an income by right into question. They also admit that – in theory, at least – such a scheme could help solve (part of) the problem of unemployment traps without worsening poverty, through a significant reduction of marginal tax rates at the bottom of the income distribution. In this perspective, they do not even see BI as antithetical to the cultural values of a society in which paid work remains, as is the case in Belgium, a crucial precondition for social recognition.

And yet in spite of these positions very few union officials openly argue for a BI. For, representatives say, they lack the power resources needed to impose a truly *progressive* package of reform. Hence, in the context of an increasingly competitive economy, and at a time when provincial and federal governments are pleading for a more “active welfare state”, the defense of such a radical reform would amount to political suicide. At present, a discussion of the introduction of a BI would necessarily degenerate into a Friedman-like scenario: a dismantling of the welfare state, not a culmination. For a few years these fears have been vigorously sustained by the electoral rhetoric of a powerful right-wing liberal party, the Action démocratique du Québec (ADQ), which campaigns in favor of an NIT.¹⁷ Unions are on the defensive: “we should defend what we already have”, a FTQ official says (Wernerus, 2004, p. 113). “We should keep fighting for higher wages” and “progressively improve the current welfare system”, a CSN representative argues (Wernerus, 2004, p. 114). In other words, for Québécois unions BI is ethically appealing but too much a risky social policy reform.

¹⁷ In Québec a much more progressive version of BI was defended, 2000–2001, by a marginal left-wing party, the Rassemblement Pour L’alternative Progressiste (RAP). In 2002 it was merged into the Union des Forces Progressistes (UFP), which also advocated a “universal citizen’s income”. UFP became Québec Solidaire in February 2006. Note that in October 2005, 12 academics and politicians, including the former prime minister of Québec, Lucien Bouchard, published a manifesto calling for the introduction of a “guaranteed minimum income” in the Province.

4.3 *The Netherlands: a trade union in favor of Basic Income*

Dutch trade unions have never been as powerful as their Belgian counterparts in the field of social policy and industrial relations. In the early 2000s, net union density had dropped to a low level of 22 percent.¹⁸ But Dutch unions remain directly involved in various councils and committees at a national level, and through these institutions they still have an important say in the matter of welfare reform. Throughout the 1980s and 1990s, unions even became central players in the mechanisms of “competitive corporatism” (Rhodes, 1998), which lies at the basis of the much discussed “Dutch miracle” (Visser and Hemerijck, 1997). Through innovative types of negotiation, the unions, employers and the state were able to conclude agreements that resulted in the combined introduction of new rights for workers and more flexible arrangements for the labor market, along with wage moderation. Wim Kok, the former head of the biggest union confederation, FNV, was leading the country as a prime minister from 1994 to 2002.

In the 1980s and early 1990s, BI was relatively high on the public agenda in the Netherlands. From 1980 onwards, it was debated in several political parties across the political spectrum. In 1994, it was openly advocated in the press by two ruling ministers. Even if their initiative was short lived, the prime minister at the time, Wim Kok, declared that a BI should not be dismissed as a long-term perspective for the reform of the Dutch welfare state.¹⁹ Interestingly, during the second half of the 1980s, the Voedingsbond FNV (Union of Food Workers) – an important group of affiliated workers within the FNV union confederation – was one of the most prominent proponents of a “basisinkomen” (basic income). In many ways, this was a unique position within western democracies. The Union of Food Workers published plenty of leaflets and documents arguing in favor of the proposal, and organized regular workshops in order to enlighten its own members.²⁰

As was stressed by Rik van Berkel, who made an in-depth analysis of this episode of the Voedingsbond’s history, when reading the pamphlets “one is struck by the utopian nature of BI alleged effects.... In short, the Voedingsbond presented its BI as a panacea for the problems of contemporary society” (van Berkel, 1994, p. 19). Since the very start of the discussion in the late 1970s, Voedingsbond leaders had been questioning the work ethic and the cultural centrality of wage labor, calling for a radical reform that would confer social

¹⁸ According to Ebbinghaus (2004, p. 580), net union density in the Netherlands was 22 percent in 2002.

¹⁹ For further details on the Dutch debate, see Vanderborght (2005).

²⁰ Compare, for instance, Voedingsbond (1981) and, in English, Voedingsbond (1989).

recognition to “those who do unpaid work, have no income and no social status” (Lubbi, 1991, p. 15). Unfortunately, as van Berkel and his colleagues discovered, the perspective of a BI did not really appeal to the union’s members. It was more a “top-down” debate: the influence of well-educated staff members was decisive in the choice of the BI strategy. As the leaders themselves conceded afterwards, “it proved difficult to mobilise members on such an abstract and long-term objective as BI”. This abstract perspective, mainly supported by the executive, contradicted “the more concrete members’ interests that they were experiencing in the daily life” (van Berkel et al., 1993, pp. 22–24). Furthermore, the FNV confederation, to which the Voedingsbond belonged, did not support the initiative. As a result, the debate ran out of steam and stopped altogether in the early 1990s.

As the unemployment rate dropped to 2.4 percent in 2002, traditional supporters of basic income – who had always advocated the idea as an alternative to full employment and the work ethic – were pushed off to the margins of political discussions. Claimants’ organizations, which had been associated with the Voedingsbond on the BI issue, gradually disappeared from the political landscape as the unemployed were finding jobs. But in the real world of welfare capitalism, miracles never last. In 2003 and 2004, the Dutch growth was almost negative, and the unemployment rate was rising again. This is, undoubtedly, part of the reason why Agnes Jongerius, (leader of the union confederation, FNV) who was elected in May 2005, now argues that workers’ representatives should think again about the idea of a BI for all. Jongerius maintains that all Dutch citizens should receive a monthly check of 350 or 400 EUR: “with such a plan, we could get rid of a lot of administrative difficulties”, she declared in an interview.²¹ Even if she still believes that people should make their best endeavor to find a paid job, controls should become softer and be incentive based. Most importantly, Jongerius stated that a well-designed BI proposal would allow the labor movement to stop being too conservative and defensive about welfare state reforms.

In sum, throughout its recent history the Dutch trade-union movement has been less cautious about BI than Canadian unions, and much less reluctant than Belgian labor organizations. As mentioned before, one should certainly not underestimate the role played by the peculiar character of the Voedingsbond leadership in the 1980s. But one should nevertheless keep in mind that, during the same period, BI was also debated within mainstream political parties, including the Labor Party (PvdA) itself. In other words, it would be misleading

²¹ *Het Financiële Dagblad*, May 25, 2005.

to maintain that discussions about BI were the privilege of a tiny minority, whether within the labor movement or across other political streams. Furthermore, it should be stressed that specific features of the Dutch welfare state – and of its transformations – might also provide some keys to the understanding of the Dutch exception. The existence of a basic pension scheme, as well as the existence of non-means-tested student grants, has certainly constituted a favorable background for the discussion of a basic cash guarantee for all. The fact that a greater proportion of the Dutch unemployed are social assistance beneficiaries, hence receiving non-earnings-related benefits, may also have eroded trade-union opposition to BI. Above all, since 1982 and the so-called “Wassenaar agreement”, Dutch trade unions have been directly involved in a process of wage moderation and work-time reduction. In return for a gradual strengthening of the social rights of part-time workers, they have accepted the perspective of a massive creation of flexible and temporary jobs. In light of Section 2 above, one could thus cautiously conclude that, today, Dutch unions have more reasons to support the introduction of BI than to oppose it.

5. Conclusion

Theoretical and empirical investigations demonstrate that trade unions are far from being natural allies of BI advocates within developed welfare states. As evidenced by the Belgian case, they can even constitute a significant obstacle to the political progression of the idea. At the same time, the Dutch case shows that the labor movement is not bound to be a perpetual opponent to such a scheme.

At least two general conclusions can be drawn from this comparative inquiry. First, it provides a manifest confirmation of the idea that “institutions matter”. Briefly, in countries where the financing of the welfare system is massively based on social contributions, and not on the income tax, each step towards a BI is seen as a radical reform. Through worker contributions, unions are involved in the financing and management of social security. What would happen, they legitimately ask, if the minister of finance were to become the key player in social policy?²² In Belgium, furthermore, trade unions are pivotal actors in a “Ghent system”. In such systems, “unions run voluntary (though heavily subsidized by the state) unemployment insurance programs, generally through the operation of local labor exchanges” (Scruggs, 2002, p. 286). Thus Belgian unions, contrary to the Dutch and Canadian workers’ organizations, are

²² Compare the critique of FGTB leader Thierry Bodson (2003, p. 3) on the end of “social citizenship”.

handling individual cases of unemployed workers. It might partly explain why they have always looked more suspiciously at the implementation of an automatic payment system that would replace earnings-related payments.

The second conclusion is closely connected to the first one. It seems that the introduction of a BI has not much to offer to the vast majority of union members. In times of retrenchment in core sectors of the welfare system (pension and health insurance), it is a difficult task to convince insiders of paying for an unconditional grant that will mainly benefit outsiders. It is not a surprise that, as van Berkel pointed out, within the Dutch union Voedingsbond, BI was mainly supported by unemployed members. BI, van Berkel writes, “comes across as predominantly a claimants’ issue. Most of its supporters (almost 75 percent) are claimants, whereas most of its opponents (again almost 75 percent) are paid workers” (van Berkel, 1994, p. 20). Investigations in France have also shown that BI had been almost exclusively advocated by independent claimants’ organizations, which had been created in the 1980s as a result of workers’ unions incapacity to take the specific needs of unemployed people into account. Even if they were able to launch a public discussion on BI in the winter of 1997–1998, they did not manage to get the proposal on the political agenda. In Belgium, due to the Ghent system, claimant’s organizations have always been very weak, and most unemployed are members of a trade union.

Claus Offe (1992, p. 72) argues that gains for the well-off middle class represent the “necessary precondition for making social security for the underclass (including the less privileged segments of the working class) politically feasible”. Without the support of well-established trade unions, it might prove very difficult for BI advocates to get their proposal on the agenda in OECD countries. Hence, they should certainly start working more systematically towards converting union representatives on ethical and pragmatic grounds. They should no doubt try to boost any emerging discussion of the issue within workers unions, since empirical research shows that good arguments in favor of a BI from a trade union perspective are unknown to most union representatives. For even if the latter are not natural allies of BI supporters, they remain inescapable players as well as irreplaceable partners.

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Yannick Vanderborght
Belgian Fund for Scientific Research (FNRS)
and Chaire Hoover d'éthique économique et sociale
Université Catholique de Louvain
Place Montesquieu, 3
B-1348 Louvain-la-Neuve, Belgium
Email: vanderborght@etes.ucl.ac.be