

Is Universal Basic Income Still Worth Talking About?

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Universal Basic Income (UBI) is the hugely ambitious policy of granting a small income to every person, unconditionally as a right of citizenship. Usually, a "full" UBI is considered to be enough to meet basic needs, while anything less is a "partial" UBI (USBIG Network 2011). In the post-financial crisis days of austerity, cutbacks, and retrenchment it might seem that such a policy is too ambitious to be worth discussing in the current political climate, especially in the United States. But this chapter will argue that UBI is (and should be) an important part of the political dialogue today.

Part 1 defines the concept of UBI more thoroughly and shows how it differs from traditional welfare policies. Part 2 gives a brief history of the idea right up to the present, showing that UBI is an important part of the current debate in many parts of the world and that increasing evidence in its favor is being found. Part 3 discusses the inherent importance of UBI. Part 4 discusses how ambitious policies such as UBI can overcome the hostility of the current political climate in industrialized countries, focusing on the United States as an example.

1. What is UBI, and what makes it distinct from traditional welfare?

UBI is one of a family of policies designed to ensure that everyone has a small income large enough to meet their most basic needs for any reason. It grants this income to every citizen, and then taxing them on their income or their assets or their purchases. UBI has been widely discussed in academic literature, especially in the fields of philosophy, sociology, economics, and political science. Many philosophers have argued that UBI is an essential tool for building a just society (Van Parijs 1992, 1995, 2001; Reeve and Williams 2003; Standing 2002; Goodin 1985; Atkinson 1995)

The following table, shows the system works with a UBI of \$6000 per person per year and the tax rate is 33.33 percent (one-third). It shows the relationship between an individual's private and total income at eight selected levels of income, chosen to show the effects of UBI on people at very different levels of income. A person with no private income would receive a grant of \$6,000 making their total income \$6,000. Someone with a private income of \$3,000 would pay \$1,000 in taxes and receive the \$6,000 grant for a total income of \$8,000.

The "break even" level occurs at \$18,000 of private income. The individual pays \$6,000 in taxes and receives \$6,000 in the grant. The two balance each other out, and the person is neither a net recipient nor a net taxpayer. Beyond this level of income, the amount of taxes the person pays becomes larger than their grant. So, that they are a net taxpayer. For example, a person with an income of \$30,000 of private income, pays \$10,000 in taxes and receives a \$6,000 grant for a total after-tax/after-transfer income of \$26,000 per year.

Table 1: Private income, grant received, total income, taxes paid under UBI with a grant level of \$6000 and a tax rate of 33.33 percent.

1	2	3	4
Private income	Grant Received	Total Income	Taxes paid
0	6,000	6,000	0
3,000	6,000	8,000	1,000
6,000	6,000	10,000	2,000
12,000	6,000	14,000	4,000
18,000	6,000	18,000	6,000
30,000	6,000	26,000	10,000
60,000	6,000	46,000	20,000
300,000	6,000	206,000	100,000

The table above is written for an individual. Most UBI proposals call for giving the same amount of money to every individual regardless of age or family status. However, it is important to note that it is cheaper for families to live together than it is for single people to live on their own. For this reason, a UBI set at a level that will barely get a single person out of poverty will be very generous to families and, therefore, very expensive. A UBI set at a level just enough to get a family (of a given size) out of poverty will cost much less, but it will not get all single

people (or all smaller families) out of poverty. For this reason, some UBI proposals call for a smaller level of UBI for children (Lerner, Clark, and Needham 1999). This tradeoff can be seen in the example I have given above: \$6,000 is very meager for a single person, but if every man, woman, and child were eligible, it would amount to the very substantial sum of \$30,000 per year for a family of five. The problem of family size is one of the policy choices society needs to make when implementing UBI.

UBI has a very different approach than any traditional welfare system. Although welfare states in the industrialized world vary significantly in the breadth and depth of their coverage, they all employ some version of the categorical approach to poverty. That is, they have different programs to maintain the income of people who fit into different categories of need. Often they will have one program for the unemployed, one for the short-term disabled, one for the long-term disabled, one for the elderly, one for single parents with children, another for people with low skills, and so on (Widerquist and Lewis 2009).

UBI can replace many or all programs designed to support someone's income with one program ensuring that everyone's income will be sufficient to meet their basic needs. UBI does not replace programs designed to meet special needs. It does not replace, for example, a program to give free wheelchairs to people who are unable to walk. Nor does it replace public schools, public healthcare, public streets, or public garbage removal. But it does get rid of categories to determine whether and how much income assistance a person is eligible for.

The ideal of the categorical welfare system is that, if it could work perfectly, it could eliminate poverty without giving anyone reason to work less. If the state had perfect information, it would separate all those who can and should work from all those who cannot or should not be expected to work. For those who can work, the state would find some way assure that a sufficient

number of good jobs are available and provide a specifically tailored program for everyone who can work: old age pensions, disability, assistance to needy caregivers, and so on. If all these programs worked perfectly, the state could eliminate poverty without creating any work disincentive. But the practice is far from perfection.

People do not fit neatly into categories. A few people absolutely cannot work; many more sit along a continuum from fully able to mostly unable to work. Many people have permanent but intermittent conditions making them sometimes able and sometimes unable to work. Governments create categories by arbitrarily drawing a line and then spend a great deal of money determining on what side of the line a person falls. Sometimes those who can work only with great difficulty fail to qualify.

Others who qualify for programs fall into the poverty trap. Recipients of categorical programs face a very large effective “marginal tax rate.” That is the amount they lose in benefits for each dollar they earn in private income is very high—sometimes greater than 100 percent. They also risk a permanent loss of eligibility if they are unable to keep the job or if the job turns out not to be worth keeping. The traditional welfare state also has difficulty with the fully employable. No government has yet figured out how to ensure permanent, above-poverty-wage employment for everyone who is willing to work. Some people who cannot find jobs are ineligible for unemployment insurance. Those who are eligible for unemployment insurance often face their own poverty trap, in which it is risky to take a job for fear of losing eligibility.

Categorical welfare systems face a tradeoff. The more generous systems accept a significant poverty trap in which a significant portion of the population remains more or less permanently on assistance. The less generous systems accept weak coverage. For example, the

United States has tacitly or explicitly accepted that at any given time about 10 percent of its population lives in poverty (U.S. Bureau of the Census 2011).

The structure of the UBI system eliminates the poverty trap. Although anyone can choose to live without working, they have nothing to lose by taking a job. In the example shown in Table 1, for every three dollars a person earns privately, they keep two dollars. Consider a person living entirely off the \$6,000 per year grant. Suppose they have the opportunity to take a \$12,000 per year job. They would see their total income rise by \$8,000 to \$14,000 per year, a very substantial increase.

Some policies within current welfare systems incorporate elements of UBI model. The Food Stamp program (now officially called Supplemental Nutrition Assistance Program or SNAP) functions almost like a cash grant (although with a paternalistic twist). Social Security, although contributory, functions somewhat like a UBI for retired persons. The Earned Income Tax Credit (EITC), which has existed in the United States since 1974, is in one sense a “negative tax” (in which, like UBI, the government pays the individual instead of the other way around), but it does not give any money to people who have no private income. Thus, it is only for people who fit into the category of low-wage worker (Widerquist and Sheahen forthcoming). One problem with the EITC is that once employers know that their employees are eligible for it, they may be able to reduce wages (Bouquin 2006). Other refundable tax credits, such as the Additional Child Tax Credit, also have this similarity to UBI.

UBI is very different from another proposal discussed in this book: the guaranteed job or the employer of last resort. Under this proposal the government gives a job at a fixed wage rate to anyone who is able to work but either unable to find or unwilling to take a private sector job. The guaranteed job assures that a job is available for everyone who is willing and able to take

one in the public sector. UBI assures that everyone has an income whether or not they are willing and able to take a job either in the private or the public sector. The guaranteed job could only be a part of the categorical system, and the state would still have the problem of separating those who can and cannot be expected to work (Widerquist and Lewis 2009). It would also face a great deal of overhead cost to provide the material and supervision for everyone who signed up for the job guaranteed by the government.

UBI does not force anyone to work. It does not use the threat of economic destitution to get people to accept unappealing jobs. It ensures that everyone has enough to meet their basic needs without judging them or making them satisfy some conditions to prove their worth. But, as I have argued, it still has a great deal of room for work incentives. The very idea of UBI is simply that income does not have to start at zero. People can have a small income sufficient to cover their basic needs, and still have plenty of reasons to take jobs that will give them access to the luxuries that the market system makes available.

2. The history of and current debate over UBI

UBI, or something like it, has been discussed for centuries. Thomas Paine (1797) argued for a large one-time grant and a basic pension. Lesser-known figures, such as Thomas Spence and Joseph Charlier, laid out the first proposals that more fully fit the definition of UBI (USBIG Network 2011).

Large numbers of intellectuals began discussing UBI under various names in the Twentieth Century. Under the name of “the guaranteed income,” it seemed to appear out of nowhere onto the mainstream political agenda in the United States in the mid-1960s, because it was brought to the mainstream agenda from three different sources. President Johnson had

recently declared war on poverty, and many policymakers saw UBI as an important alternative. Welfare activists, including Martin Luther King Jr., were pushing for it. Many prominent economists with left and right political leanings, including F. A. Hayek, Milton Friedman, Herbert Simon, James Tobin, and John Kenneth Galbraith, endorsed either UBI or a very closely-related idea called “the negative income tax” (NIT) (Widerquist and Sheahen forthcoming).

The discussion got so strong that in 1972, both major-party presidential candidates endorsed versions of it. In 1971, President Richard Nixon proposed an arguably water-down version called the Family Assistance Plan, which lost very narrowly in Congress. Between 1968 and 1980 the United States and Canada conducted five NIT experiments. Although popular perception of the experiments was largely negative, researchers were pleased to find small, tolerable negative effects on labor market participation, and a great improvement in wellbeing among recipients (Widerquist and Sheahen forthcoming; Widerquist 2005).

Several important offshoots of UBI were introduced at the time including Food Stamps (SNAP) and the EITC (Widerquist and Sheahen forthcoming). Perhaps the most important offshoot of the guaranteed income discussion in the United States happened not at the federal but at the state level. The State of Alaska introduced the world’s first UBI (if a partial and variable one) in 1982 (Widerquist and Howard forthcoming A). Since then, every man, woman, and child in Alaska has received a small yearly dividend financed by the returns on the Alaska Permanent Fund (APF), the state’s savings account for its oil revenues. This dividend has no conditions except that they maintain residency in the state and reapply each year. It varies each year depending on the returns to the APF. It reached a high of \$2069 in 2008; the same year that the state decided to supplement the dividend with an additional \$1200 from the state’s budget

surplus, making a total dividend of \$3269, or more than \$13,000 for a family of four. More often the dividend has been in the neighborhood of \$1000 to \$1500 per person per year, or about \$4000-\$6000 for a family of four (Widerquist and Howard forthcoming A).

The dividend has helped Alaska attain the lowest poverty and the lowest economic inequality of all 50 states, and it is enormously popular, receiving 83 percent support in a 1998 referendum. Alaska is the only place in the world with a resource fund and dividend at this time, but the success of the program makes it worthy of imitation. Michael W. Howard and I are coediting two books discussing how to do so (Widerquist and Howard, forthcoming A and B).

Discussion of UBI dropped off at the federal level in the United States in the late 1970s as the movement to improve the U.S. welfare system was replaced by a movement to reduce or eliminate U.S. welfare programs. But the discussion quickly picked up in other parts of the world. UBI became a major topic of discussion in the academic literature, especially in the fields of philosophy, sociology, and political theory since the 1980s. In 1986, a group of academic researchers founded the Basic Income European Network (www.basicincome.org). The Network has held conferences every two years ever since. In 2004 it expanded to become the Basic Income Earth Network (www.basicincome.org). It now has 18 affiliates around the world, including one in the United States (www.usbig.net).

UBI has made an impact on political agendas in surprising places around the world. It has developed considerable grassroots support in post-Apartheid South African and Namibia. Four of the five major parties in Germany have factions supporting UBI. Pilot projects are taking place in India and Namibia. Iran and Mongolia are beginning to implement Alaska-style UBIs (The Basic Income Earth Network 2011).

In the last few years, cash transfers have been put into place in many lesser-developed countries. For example, Brazil's cash transfer program, the Bolsa Familia, was introduced in 2005 with an explicit statement that it was the first step toward phasing in a true UBI (with the next steps to be determined later). Although all of these programs have at least some conditions attached and none is strictly based on UBI, they are providing evidence to support the UBI model. In most cases, it seems to be the cash—not the conditions—that is helping improve the lives of the people affected (Standing 2011; Hanlon, Barrientos, and Hulme 2010).

Another surprising place where UBI has made an appearance is in the debate over global warming. Two popular approaches to global warming (tax-and-dividend and cap-and-dividend) involve a small UBI. The differences between these two approaches are not important for the discussion here. Both involve the principle in which the polluter pays for the right to pollute—to emit carbon—and both redistribute the revenue the sale of pollution rights as an equal-sized dividend for all citizens (Howard forthcoming; Barnes 2007). Therefore, people who pay more in pollution taxes than they receive in the dividend are above-average polluters. People who receive more in the dividend than they pay (directly or indirectly) in pollution taxes are below-average polluters. Their receipt of payment is both a reward for polluting less and compensation for the pollution that everyone else is doing.

3. Why UBI is always worth talking about

The recent history of UBI, recounted above, shows both that there is new evidence in its favor and that it is growing in importance in the world debate over social policy. But in this section, I want to talk about the direct reasons it is relevant, the reasons to support it.

The main reason to support UBI is that it is time to get serious about *the elimination* poverty. Most, if not all, the countries of the world today have the technical capacity to eliminate poverty and economic destitution. The more industrialized countries of the world have had this capacity for decades, and I believe it is now possible on a worldwide basis. In a world with so much wealth we must no longer force people to live with so much poverty, fear, and economic uncertainty. We need to reach a state of economic maturity in which any poverty in our midst is unacceptable.

If we're ready to talk about the *elimination* of poverty, UBI is the one policy that can do it best. Because UBI is universal and unconditional, it had no cracks to fall through. It puts a floor beneath everyone's income. If that floor is above the poverty line, poverty is eliminated universally.

UBI is not such a radical move, although it might have radical effects. It streamlines and strengthens the welfare system to make it more effective and more comprehensive. Most nations of the world are already spending a substantial amount of money on poverty relief, but too much of that money is going to overhead costs, supervision of the poor, the creation of hoops for the poor to jump through to prove they are worthy, and so on.

Economic destitution is the biggest threat to freedom in the democratic nations of the world today. To be destitute is to be unfree. Economically destitute people are unfree to sleep undisturbed, unfree to urinate, unfree to wash themselves, and unfree to use the resources of the world to meet their own needs. The destitute are unfree in the most liberal, negative sense of the word (Waldron, pp. 309-338). They are not *unable* to use the resources of the world to meet their needs, they are *unfree* to do so, because our government enforces a property rights regime that ensures someone will interfere with them if they try to do it.

Poverty is not a fact of nature. Poverty is the result of the way our societies have chosen to distribute property rights to natural resources. For hundreds of thousands of years (perhaps for millions of years) no one interfered with our ancestors as they used the resources of the world to meet their needs. No one failed to wash because they were too lazy to find a stream. No one urinated in a common thoroughfare because they were too lazy to find a secluded place to do so. Everyone was free to hunt and gather and make their camp for the night as they pleased. No one had to follow the orders of a boss to earn the right to make their living. Our hunter-gatherer ancestors were not rich, but they were not poor as we know it today (Widerquist 2010b). Our laws today make it illegal for people to satisfy the most natural and simple bodily needs, and our laws make it such a fact of life that we can believably pretend that it's all their own fault. There are billions of people today who are more poorly nourished than their hunter-gatherer ancestors (Widerquist 2010b). It cannot be simply their own fault. Poverty and economic destitution are created by the way in which we have chosen to distribute natural resources; we can just as easily choose to create a system that eliminates poverty.

Another advantage of UBI is that it can be used as a cushion for the increasingly unstable economy. The world economy experiences both financial instability and the instability of a constantly changing manufacturing base. It might be desirable to eliminate financial instability, but we do not seem to be on the verge of figuring how to do so, and we can expect financial instability to be with us for a while. The instability created by a changing manufacturing base is not necessarily something that we should want to eliminate. If the theory of creative destruction has any truth to it, the overall health of the economy requires that new and better industries drive others out of business (Schumpeter 1947; Aghion and Howitt 1992). But the instability of

creative destruction has a human cost as people lose their jobs and need to find a place in a new and different economy.

The simplicity of UBI system makes it better able to react to all kinds of economic instability. Unlike the traditional, categorical welfare system, a UBI-based system provides a cushion for everyone no matter what the reason that they might be without income. Under UBI, we do not need to recognize some new category of need that the economic system may have created, because we have ensured people against all forms of economic need.

The previous section demonstrated that UBI has a very good work incentive built into the system, but the most common work-based objection to UBI is not so much about work incentives as it is about a moral obligation to work. The argument I have in mind goes as follows. UBI is something for nothing, which is unacceptable. People have a moral obligation to work. Lazy people who will not work should not be rewarded with anything. Therefore, any social benefits should be conditional on at least the willingness to accept employment. Even if UBI has better work incentives than conditional welfare programs, we must reject it because it allows some able people to receive something for nothing and shirk their obligation to work. I believe this is a common argument in everyday political discourse, and versions of it have appeared in the philosophical criticism of UBI (Elster 1986; White 1997; 2000; 2003; van Donselaar 2008).

This argument has several problems. I'll discuss two of them. The first problem with it is that UBI cannot be accurately characterized as something for nothing. All societies impose many rules on every individual. Consider the discussion of homelessness above. Why cannot homeless people build their own shelter and their own latrine? Why cannot they drink out of a clean river? Why cannot they hunt, gather, or plant and harvest their own food? They cannot do these things because the state has made rules saying they don't have the right to do these things. The state has

imposed rules saying that all almost the resources of the Earth belong to someone else. Those of us who benefit from the rules by which our society distributes ownership of the Earth's natural resource benefit every day from the state's interference with the propertyless, and we pay them no compensation. A state *without* UBI is the state that has something for nothing (Widerquist 1999).

UBI is and should be seen not as something for nothing but as the just compensation for all the rules of property and property regulations society imposes on individuals. Democracies, hopefully, make these rules with the consent of the majority. But even the best democracies cannot obtain everyone's consent. No government can function unless it imposes its rules on the willing and unwilling alike. Governments, therefore, have a responsibility to make sure that their rules are not an undue burden on anyone.

Governments can live up to this responsibility by applying a simple principle in which each person pays for the parts of the Earth they use and receives a share of the payment for the parts other people use. In a small way this principle is embedded in the Alaska Dividend and in the tax-and-dividend approach to global warming. Imagine a tax-and-dividend system being applied not just to greenhouse gas emissions but to all forms of resource use: all pollution; all privately held land; all mining and drilling rights; and so on. Some estimates show that a very large UBI could be financed this way (Flomenhoft forthcoming), but what's important here is the moral impact of UBI financed by this method.

One person's assertion of ownership of some of the Earth's resources necessarily involves interference with anything anyone else might want to do with those resources. Under a resource-tax-financed UBI, those who (directly or indirectly) pay more in resource taxes than they receive in the UBI are paying for the privilege of enjoying more resources than the average

person is able. They are paying compensation for the interference they impose on everyone else. Those who receive more in UBI than they pay in resource taxes are being compensated for having less access to the Earth's natural resources than everyone else. UBI is most distinctly *not* something for nothing. Furthermore, those who pay more than they receive do so voluntarily and willingly. They obviously think it is worthwhile to pay what they pay for resources they hold or they would choose to hold fewer resources and become a net recipient.

The second problem with the work-based argument against UBI is that it conflates two different senses of the word “work”—one that means toil and one that means employment. In the first sense work simply means to work whether it is for one's own or for someone else's benefit. In the second sense work means to *work for* someone else—such as a client or a boss. Anyone with access to resources can meet their needs by working only for themselves or with others of their choosing. But people without access to resources have no other choice but to work for someone else, and they have to work for at least one member of the group whose control over resources makes it impossible for the propertyless to work only for themselves (Widerquist 2006; 2010a).

Working for someone else entails the acceptance of rules, terms, conditions, and subordination, all of which are things that a reasonable person might object to. There is nothing wrong with working for someone else, as long as one *chooses* to do so. But because we interfere with people by denying them access to resources until they work for someone who has some control over resources, we interfere with their ability to refuse. We force them, not to work, but to *work for* at least one member of a particular group of people (Widerquist 2006; 2010a).

We can create an economy based on truly voluntary trade and voluntary participation by applying the principle described above in which each person pays for the parts of the Earth they

use and receives a share of the payment for the parts other people use. With a sufficient UBI to draw on, each person has the power to decide for themselves whether the offers in the job market are good to deserve their participation. Nothing protects a person better than the power to refuse. This power will protect not only the poor and marginal but all of us.

4. UBI and the current political climate

The political climate in many western industrialized countries, most particularly the United States, has become increasingly hostile to UBI. But it is not only cash assistance to the poor or progressive that appears nonviable in the current U.S. political climate. The United States government today lacks the ability to pursue any ambitious strategy.

America was once a very ambitious country: the New Deal of the 1930s, the G. I. Bill and the Manhattan project of the 1940s, the interstate highway system of the 1950s, the space program and the Great Society of 1960s were all hugely ambitious goals pursued with ambitious strategies. More than a century ago, when an earthquake hit San Francisco or a fire hit Chicago, we rebuilt those cities better than ever within a couple years. Today, six years after the engineering failure that caused the flood in New Orleans, large parts of the city lie vacant while the government struggles to get the levees back only to where they were before they failed.

The only goal the U.S. government has pursued with any ambition in the last 30 years has been tax cuts for the most privileged Americans, but doing so has hampered the government's ability to pursue any other goals it has taken on. Under the Bush administration, the U.S. government took on the enormous goals of invading and occupying two foreign nations. But the government has pursued those goals with ambitionless strategy: using long-range missiles in the air and bribes for warlords on the ground, rather than committing resources to stabilize and rebuild those countries. Under the Obama administration, the U.S. government has taken on the

ambitious goal of establishing universal healthcare coverage, but it plans to do so by mandating that individuals buy insurance, often from for-profit companies. Whether these goals are good or bad, the ambitiousness of the strategy does not match the size of the goal. Meanwhile, we do not even have the ambition to properly maintain the public transportation systems, highways, and other infrastructure left to us by earlier generations. Western European countries, while not as obsessed with downsizing government as the United States are also focusing on austerity and cutbacks.

And in this climate, UBI supporters want to talk about this hugely ambitious strategy to eliminate poverty with an unconditional payment to all citizens. How can this be worth talking about here and now?

One important reason to keep pushing for a big ambitious change is that we must not mistake a current political mood for the permanent political reality. The political mood changes for the better and for the worse, and it can change abruptly and unexpectedly. In the 1850s, no one, not even Abraham Lincoln himself, had a good reason to believe that the United States was within 10 years of outlawing slavery. In the 1920s, no one, not even Franklin Roosevelt himself, had a good reason to believe that the United States was within 10 years of introducing old age pensions, unemployment insurance, a national minimum wage, and so on.

The political mood is only a mood. It changes abruptly because most people do not hold firm convictions about politics. True believers on all sides of any political issue might dominate the debate, but most people's political positions are tentative and subject to change. I cannot predict when and how the political mood will change, but I know that major change requires people to be ready with well thought-out ideas to take us in another direction. They have to press for it. They need to talk about UBI now to make it viable later.

The outpouring of enthusiasm for the vague ideas of “change” and “hope” in the 2008 election indicates frustration with the bipartisan lack of ambition that continues to handicap the U.S. government. But so far, people have not seen enough change to give them hope.

I wish I could say with assurance that we are on the verge of a major shift in political mood in the direction of UBI. I cannot say that. I cannot see the future, and neither can those people who confidently pretend they can. But I can point to indicators that things are moving in the direction of UBI and small things we can do here and now to push things in that direction.

As I see it, there are four parts to the UBI model: (1) it’s in-cash; (2) it’s enough to meet a person’s needs; (3) it’s universal; and (4) it is understood as a human right or a right of citizenship. Anything that establishes even one element of this model moves in the direction of UBI.

Looked at in this way, the United States is not as far away as it might appear. Some of the most successful and popular elements in U.S. social policy are cash-based: refundable tax credits, unemployment insurance, Social Security, SNAP, Supplemental Security Income, and so on. Social Security—as imperfectly as it works—is clearly motivated by the belief that all people ought to have a financially secure retirement. Despite all the shortcomings of the health care reform law, it helps to establish the idea that all people should have access to health care.

The public school system is an enormous in-kind universal benefit that is not even limited to citizens. Although the system has great inequities, the ideal of universal education is strong. A fully market-based educational system would offer no more than the faith that all parents will somehow find a way to purchase adequate education for their children. It’s not such a big change in mindset to go from the realization that we cannot assume every parent can provide an

adequate education for their children, to the realization that we ca not assume every parent can provide adequate food, shelter, and clothing for their children.

As I have shown above, looking beyond U.S. federal government policies, there is an increasing trend worldwide toward the use of cash benefits. Alaska's Permanent Fund Dividend, Mexico's conditional cash transfer program, Brazil's Bolsa Familia, and South Africa's pension system are just a few examples of how well cash grants can work and how popular they can be.

The current recession has reminded many Americans that they are not so different from people in need. Unemployment did not rise from 3 to 10 percent because people suddenly became lazy; the foreclosure epidemic was not caused by a sudden increase in the number of deadbeats. The government has put most of its effort into bailing out the economy from the top down, but there is growing belief that we should be aiming our policy from the bottom up instead.

Movement of the political climate toward a UBI model requires people on the side of both big, ambitious change and small, incremental changes in the direction of UBI. There are many opportunities to nudge policy in the direction of a universalistic, rights-based, or cash-based strategies to meet human needs. Efforts to expand refundable tax credits and the cap-and-dividend approach to global warming are two small steps in that direction that are under serious consideration in the United States, and a big ambitious move toward a full UBI is under serious discussion in Germany and several other countries.

UBI has come and gone and come again to the political agenda in many countries, but as we see, it continues to gain ground slowly and fitfully around the world. The evidence for its effectiveness is mounting. It is far from the agenda in the countries that are responding to the worldwide recession with new "austerity" programs, but it is not far from the agenda in all

countries and it is growing in importance in many countries both in the developed and developing world.

Austerity was how most nations first responded to the Great Depression, and it did not work out well then. Most nations did not get out of the Depression until they got the ambition to spend some money. Some had better ideas of what to spend it on than others. But austerity is not the answer to recession. UBI is emerging as a well thought-out alternative when nations regain their ambition.

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