

L3093: Gender Through the Life Course

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**Basic Income: A female friendly alternative to the current welfare system?**

In recent weeks there has again been considerable debate and news coverage of new welfare reforms that are set to be ratified before the New Year. This is due to James Purnell's proposal of a new white paper of reforms designed to prevent "dynasties of benefit claimants for whom scrounging on the state is a trade" and insure that claimants must be actively looking, or training for employment in order to receive benefits (Purnell *in* Oliver, 2008). In reaction to this, head lines such as "Welfare mothers to be forced to work" (Oliver, 2008), "Think tank: If you want welfare, work for it" (Green, 2008), and "Welfare reforms could increase poverty" (Sparrow, 2008), have highlighted the difficulties these reforms propose for many, especially those in marginalised social situations such as single parents or long term unemployed (Oliver, 2008). These reforms emerge in particular due to the rising costs and number of claimants of benefits, and are part of substantial cuts that are being made by the government in order to reduce spending in recoil to the current economic recession. Unemployment and inequality in income distribution, however, are trends that have been occurring on a global scale since the 1970 oil crisis, and increasingly the welfare system of today is proving to be inefficient in tackling the many political, social and economic challenges we face in the twenty-first century (Robeyns, 2001). Women in particular have been identified as the victims of these developments, and I will argue that this is primarily due to the intrinsically exclusive and employment focused character of the welfare state we have today. Also I will be looking at

alternatives to this system such as the basic income model, and what the benefits could be especially for women.

Before analysing more specifically the effects of the welfare system on women, it is important to look at gender roles in the work force, in which one notices the overarching and universal occurrence of bias and discrimination (UN Stats, 2008). While the degree of gender discrimination differs across countries, phenomena such as the pay gap, the 'glass ceiling' and inequality in the division of labour in the household are still alarmingly dominant, even in 'developed' countries such as the UK (Crompton and Harris, 1998). Moreover, both on a horizontal and vertical level one can observe patterns of women being marginalised and subsequently falling into the bottom, or less paid categories in all aspects of employment (ESRC, 2008). However, radical feminist critics, such as Hakim have suggested that it is dangerous to generalise and see women as silent victims, but that they are active participants in the outcome of their choices of occupation (Hakim, 1995). She argues that there are two types of women; "committed", women who participate in the labour force, and the "uncommitted", those who make the decision to stay at home and do care work, and that this in fact is the driving force behind continued sexual division of labour (ibid.). While Compton and Harris agree that many women today do theoretically have the possibility to choose their occupation, they found that when applying a more individual approach to research, in fact many other factors feed into the complex process of decision making and that while the constraints for women have diminished in recent years, they continue to be a lot higher than those for men (1998). Sen makes the important points that freedom of choice is always tightly constrained by the fundamental economic need to survive, which perhaps represents the most active denominator in the decision of employment and occupation (1999). These constraints,

then, for both men and women, are founded deeply within the basic characteristics of the welfare system.

The welfare state, nevertheless, sets a standard that women in particular do not fit into. As the welfare system is based on post war societal structures it cannot deal with many of the emerging problems we face today. Not only have the number of benefit claimants risen, and continue to rise, but there have been fundamental changes to familial structure and the traditional bread winner model since the 1950s (Robeyns, 2001). Today 13,080 families receive welfare benefits of which over 20% are single mothers, and while 55% of single mothers are now actively in the labour force, one third of these earn a gross income of £200 a week or less (ESRC, 2008), suggesting that a majority work in badly paid and part time jobs. Additionally, what makes the welfare system increasingly destructive is its overarching and intrusive power. This is particularly damaging for women as benefits are still highly conditioned on income, marital status or living conditions (Mckay, 2007). While a mother may be entitled to more benefits if she is alone, she could still receive considerably less pension as it is income assessed, and a majority of women still take time out of paid labour for child care (Fitzpatrick, 1999). Similar patterns can be observed for insurance benefits which are paid to “earned entitlements” for which women in low paid jobs or in care work in the home, often cannot apply (ibid.). In the welfare state and in fact in the modern frame of mind, citizenship is intrinsically exclusive as it is tightly linked to the paid labour market and thus cannot meet the changing needs and demands of society.

The UN shows shocking statistics: Although women make up 51% of the population, women do 2/3 of the world work yet earn only 5% of the world’s income (UN Stats. 2008). This illustrates the real inequality towards women. If more than half of the worlds work is being done by women, it is not being accounted for with

income. This work includes housework, care in the home looking after children or other family members, agricultural work for subsistence farming and so on, all of which the labour force is fundamentally dependent on. That is the major difference to men's work. Because it is paid, it has a higher value and status in our society, but more importantly, it is work that is also done initially because of pay. Work such as housework is still expected to be done by the woman additionally, even if many are now also involved in the employment market, which brings the increasing problem of a woman's dual burden (Mckay, 2007). So while a man is being accounted for his work in the labour force by income, "invisible work" done initially by women, is expected, without financial recognition. Although the Welfare system should be coming to the aid of just these women, it in fact increases the stigma by reinforcing the notion that the inability to take part in the work force is a default. So, returning to Sen's idea of freedom that everyone must have economic recourses in order to survive (1999), men's work earns him his income while a woman's work often does not. This makes women inherently dependent either on men or on tax payers through the welfare system, not just for income, but in order to survive. As Fitzpatrick rightly emphasises, the welfare state "defines independence according to gendered assumptions which promote the dependency of women, values work by devaluing non-waged types of work and exalts the home in instrumentalist terms as a site of market reproduction" (1999:156). The whole construct thus, is normalised around the ability to participate in paid work, which fundamentally distorts identities and social roles. I do not wish to say that the system is innately bias towards women, but that it does not allow free individual development and above all assumes a status that is still dominated by men as the norm (Sen, 1999 & Perez, 2004). In this lies another problem of the model. While increasingly concentrating on employment, as the

current discussion in parliament shows, there is a continuous rise of unemployment as well as a visible decline in vacancies due to mechanisation and economic crises. The welfare system of today is thus inherently contradictory and in desperate need of rehabilitation.

This is where a basic income comes in. While the model is not designed as a specifically “female friendly alternative” (Carlson, 1997), it does address many of the social issues and problems that the current system can provide no solutions for. An unconditional income that is paid on the basis of citizenship, that is universal, non-assessed and enough in order to survive, would not only be an effective strategy towards poverty reduction, but more importantly would reduce inequality by reversing the entrenched importance we give to paid work (Fitzpatrick, 1999 & Werner, 2006 & McKay, 2007 & Van Parijs 1995).

Perhaps the most important implications this has for women is its ability to free choice from current economic constraints and for the first time give value to house and care work (McKay, 2007 & Fitzpatrick, 1999 & Robeyns 2001). Through an individual income women would no longer be dependent on men’s income, or benefit money from the state. This in turn would allow for a real free choice of occupation. Women who want to participate in the work force would have sufficient income to pay for day care for children or cleaning in the house, while those who prefer to stay at home could also afford it, without automatically becoming dependent on anyone else (Fitzpatrick, 1999). Evidence also suggests that this could significantly reduce domestic violence, as this has been intrinsically linked to power relation within the home and reinforced by economic dependence of women on men (Piovesan, 2006). Similarly in the work force, discrimination against women would be reduced. As I have shown, many women are employed in part time or badly paid jobs where they

face bias treatment such as unfair pay compared to men. As income remains a necessity and benefits are increasingly dependent on at least training towards employment, women are often forced into these jobs (Oliver, 2008). With a basic income, paid work would be done on an optional basis and thus incentives for work would have to change fundamentally. While jobs that find no enthusiasm voluntarily, such as factory work, could be entirely replaced by technology, others where this is not possible would have to have a higher salary in order to increase the attractiveness (Werner, 2004). An example of this could be all elementary jobs such as cleaners or bin men, which in fact are vital for the well being of society. Thus a basic income enables basic equality in which “individual preferences are better served by a policy that allows for freedom of choice across a range of alternatives as opposed to one that limits choice in favour of labour market participation” (Mckay, 2007:345). At the same time it would increase the bargaining power of both men and women to refuse badly paid or “nasty wage-jobs” (Mckay, 2007:342).

While it is not essential for the purposes of my argument to go into exhaustive detail about the model, it is perhaps necessary to clarify a few basic technicalities. The money should be paid by the government to each individual, “from cradle to grave”, and would be financed by a number of structural adjustments to the current system (Robeyns, 2001). Firstly it would replace all forms of social benefits such as pension, child benefits or unemployment benefits that would all be covered by the basic income and additionally save on bureaucracy (Van Parijs, 1995). Secondly income tax would be brought down at the same time as increasing VAT up to 50% (Werner, 2006). Werner states that this would exclude basic commodities such as food and clothing; however for other commodities, such as those that are environmentally damaging, tax would be considerably higher (2006).

So to conclude, today all our decisions are formed by economic needs, which in fact is not necessary. The problem lies on the one hand in the distribution, and on the other in our mentality fixed on paid work as the norm. We live in a world of plenty in which, for the first time, we have sufficient for everyone (Werner, 2004 & Sachs 2005). A basic income would be a system that makes the most of this powerful potential. Especially for women, as the majority of their work is still not accounted for. A basic income would enable financial equality, and with this a real freedom of choice. The present welfare system is not sustainable. While increasingly pressure is funnelled on employment, and recently even with the threat to cut benefits on these grounds, job losses are visible in almost every sector and additionally amplified due to the current economic recession. A system in which citizenship is based on employment and well-being achieved through an earned income, cannot meet the needs and demands of society today. This will not change with small adjustments or minor reforms. The welfare state is in need of an entirely new interpretation. Only this would shift the normative division we have created between work and employment, and thus move the focus to the individual and his capabilities (Werner, 2004). The alternative I have illustrated would enable this by giving everyone the unconditional and guaranteed right to a basic income.