

IMPACT OF THE UNCONDITIONAL BASIC INCOME ON THE PROFESSIONAL SITUATION OF WOMEN

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Abstract

Unconditional basic income (UBI) is one of the instruments directly impacting its beneficiaries and their situation in the labor market. The most critical aspects of UBI's impact on the labor market include labor supply and demand, the bargaining power of employees and the situation of employers, and the recognition of socially beneficial work as equivalent to gainful employment. The study aims to analyze the declared impact of the unconditional basic income on the professional situation of one of the groups of its beneficiaries - women whose bargaining power as employees is weakened and who perform socially beneficial housework. The study included in-depth interviews with four women who were on maternity leave. The results showed that UBI influences the position of the employee in the labor market, weakens employers and positively affects employees. The key issue for the respondents is the UBI amount, because a relatively small amount would be treated as additional income. UBI could strengthen the position of mothers with young children, provide greater psychological comfort and enable more effective forms of work, such as remote or part-time work.

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INTRODUCTION

Consideration of the fairest redistribution of the income system has been going on for centuries. One of the effects is the emergence of the unconditional basic income (UBI) concept. The unconditional basic income is the amount paid to citizens whether or not they start working (Parijs, 2004). The term "basic" in a name emphasizes its safe nature. Basic income can be counted regularly; it is the foundation that secures existence,

although it should be noted that its amount does not depend on the size of basic existential needs - the benefit may be more minor and more significant than the minimum amount required to survive (Van Parijs, 2000). Basic Income Earth Network points to five features that characterize a basic income (Basic Income Earth Network, 2022): periodic, cash, individual, universal and unconditional. Table 1 shows the characteristics in the context of UBI.

Table 1: Features of UBI

Features	Context of UBI
Periodic	Paid at regular intervals
Cash	It is paid in the medium that is the subject of exchange (money) and does not involve payment in other forms - for example, in the form of products, services, or vouchers
Individual	Paid to individuals, not to households
Universal	Paid to all citizens
Unconditional	There is not a requirement to undertake work or the will to work

Source: Basic Income Earth Network. (2022). About Basic Income: <https://basicincome.org/> (Accessed: 01.12.2022).

Philosophers, sociologists, and economists consider unconditional basic income. Supporters of the introduction of unconditional basic income mention among the advantages and motivations (Fitzpatrick, 1999; Offe, 1996; Van Parijs, 1992; Frase, 2018):

- 1) elimination of citizens' fear of an uncertain tomorrow - especially in the context of losing or resigning from work,
- 2) increase in the sense of social and economic security of citizens,
- 3) increase in interest in their own business,
- 4) decrease in the role of contract work,
- 5) simplification of the redistribution system,
- 6) reduction of administrative costs,
- 7) recognition of social rights for human rights,
- 8) strengthening of the negotiating position of the employee (financial security),
- 9) positive impact on economic growth,
- 10) elimination of long-standing problems related to the current social security systems,
- 11) prodemographic nature,
- 12) an incentive to undertake socially desirable work, but not necessarily profitable from the point of view of the economy,
- 13) reduction of unemployment, the shadow economy and the black market,

- 14) can be a tool to fight economic inequalities, poverty and social exclusion,
- 15) promotion and improvement of the health of society and ensuring its psychophysical balance,
- 16) it is conducive to taking up education and increasing citizens' competences, thus reducing illiteracy.

Among the negative consequences and disadvantages of such a solution, the literature indicates the most often (Standing, 2014; Szlinder, 2018):

- 1) its inflationary nature,
- 2) negative impact on the dynamics of economic growth,
- 3) decrease in labor supply,
- 4) in some professions, incredibly the most dangerous, risky to health or the least profitable, there will be fewer and fewer people ready to take up gainful employment,
- 5) lower labor productivity due to lower net wages (the need to finance UBI from high taxes),
- 6) promotion of passive and entitled state attitudes in society, as well as rewarding helplessness; demoralization related to the improper use of the money received,
- 7) establishment of a quasi-tax for working people,
- 8) promotion of consumerism, may reduce the level of private savings of the society.

IMPACT OF UBI ON THE LABOR MARKET

Unconditional basic income, as an instrument that provides citizens with sufficient means of survival, may cause changes in the labor market of countries that decide to introduce it. There has yet to be a consensus among economists regarding the projected effects of introducing an unconditional basic income on labor supply and demand. Some, like E. S. Phelps, believe that UBI will discourage people from working for gainful employment because it will amount to an amount similar to the wages of the lowest-paid workers. He believes that work also results in non-wage benefits related to interaction with others, a sense of belonging to a community, and social participation. According to him, higher taxation to finance unconditional basic income will lower net wages and thus also labor productivity. He also believes that companies will give up creating jobs for low-paid workers, as there will be a high risk that they will often neglect their job responsibilities, be absent from work, avoid work and abandon work (Phelps, 2001). On the other hand, Van Parijs points out that increasing the labor supply is not an end. Moreover, no one should expect society to be hyperactive and overworked, primarily since it would involve specific problems related to, among other things, health or crime (Van Parijs, 2001). H. A. Simon denies the demobilizing nature of the instrument to undertake work. He believes that raising taxes for everyone will not weaken citizens' willingness to work. According to him, even a significant reduction in the average return for work done will not affect the motivation to earn money because the desire for income is more related to the process of social comparison, and not with the amount of real wage after taxation or relative desire for goods and leisure (Simon, 2001). Standing (2015) points to psychological research which confirms that most people will not be satisfied with a basic income. He believes that the natural incentives to stay out of gainful employment are currently paid social benefits to the poorest income thresholds, as poverty and precariousness traps make the shift from these benefits to low-paid and insecure paid work irrational (Standing, 2015). UBI is associated with a significant improvement in the lifestyle of the precariat, i.e., a social group that works under flexible forms of employment, and its work is unstable, often performed below competencies and above the standard working hours. UBI could improve this group's financial liquidity. Currently, it has to deal with low and uncertain incomes. This often results in indebtedness and problems with timely repayment of installments and liabilities. Regularly paid, the guaranteed amount will contribute to financial liquidity and provide increased control over liabilities and even life itself. This is confirmed by the pilot studies conducted in India in 2011–2013

(Standing, 2013). Peszko (2018) points out that the progressive part of the precariat would gain not only a sense of security but also more freedom to gainful and unpaid work and rest, both in the creative and reproductive sense. A UBI would increase the sense of freedom in a time of growing use of moralizing conditionality, close monitoring of personal behavior, surveillance, and constant surveillance of digital data. Finally, it would reduce the excruciating economic uncertainty associated with the continual tightening of conditionality (Peszko, 2018).

Some citizens, including the unemployed, could start their own businesses with a UBI. Often, they have not decided to start their own business because of the lack of adequate capital, with the risk of failure and the lack of funds for which they could support their family in the initial life cycle of the enterprise. After receiving funds from the unconditional basic income, people deciding to start businesses would increase the labor supply on the market (Nooteboom, 1987).

Supporters of this solution indicate UBI as a remedy for the growing robotization and automation related to the labor market. M. Zuckerberg, during a speech at Harvard, stated that people like him should finance unconditional basic income, i.e., those who, through new solutions introducing automation and robotization of processes, lead to a change in the shape of the labor market, which in turn may increase the risk of technological unemployment (Zuckerberg, 2017). On the other hand, Steinvorth (2014) points out that the increase in automation and robotization does not necessarily mean drastic changes in the demand for labor - with the process of industrialization, the need for quantity and better quality of goods increases. It indicates that unemployment in the 20th century was not growing constantly. The rise in unemployment occurs during a crisis, but as the economy strengthens, unemployment drops shortly afterward. He also emphasizes, as an argument against the introduction of UBI, that there is a permanent change in the labor market. Some jobs are created, and some disappear forever; this is not a new phenomenon (Steinvorth, 2014).

Chandra (2010) analyzes the experiments conducted by researchers and their conclusions. In the analyzed experiment, the share of the labor force in the hypothetical labor market, after introducing the basic income, slightly decreased, especially for male employees (from 1 to 8% fewer hours worked per year). In the case of married women and single women with dependents, the decline in labor market participation was usually higher (from 3% to 28% and from 5% to 23%, respectively). It turns out that among the self-employed and those running farms, after the introduction of the annual UBI, one of the couple, most often

a wife, left the labor market for reasons such as child-care or farm work. Others returned to school, decided to start degree, and developed their competencies. From the point of view of the labor market, however, this means a reduction in the resources of the labor force. (Chandra, 2010). Robeyns (2001) believes that the outflow of women from the labor market would not be significant (Robeyns, 2001). There are also opinions that it is impossible to clearly define the impact of UBI on the labor market. Still, it may depend on the propensity to consume. From the perspective of the neoclassical labor supply model, replacing conditional benefits with UBI may have effects depending on the propensity to consume. Individuals with a high propensity to consume (a small amount of leisure time) may either increase or decrease their participation in the labor market (the effect is ambivalent). Moreover, those with an average propensity to consume should reduce their market share, and those with a low tendency to consume (with plenty of free time), as expected, will increase their share in the labor market (Gilroy, et al. 2013).

After introducing a UBI, one can expect an increased demand from citizens who, receiving additional money, will increase their consumption. Increased consumption will generate an increased supply and, thus, greater production and investment outlays. This, in turn, will make it necessary to increase labor demand and employment. Increased internal demand, which will cause an increase in production, and, thus, employment, is the result of a likely increase in the cash surplus, especially in low-income households (Szlinder, 2013).

UBI would allow employees to quit jobs, especially jobs that are low-paid, unsafe, or unhealthy at the same time (Phelps, 2001). The bargaining power of employees would also increase if new opportunities would open up for them; for example, they could decide to become self-employed without the risk of being left without a livelihood. Peszko (2018) believes that it would be fairer and more effective functioning of the labor market because at present the bargaining power of employees is very weak. As she points out, employers can easily profit by setting low wages rather than worrying about properly using labor. Without a UBI, workers are ready to take on any job to get paid while looking for something else. Under these conditions, the efficiency of employee allocation is low, staff turnover is high, and adverse reactions in the workplace are frequent (Peszko, 2018) Employees' bargaining power in the event of introducing a UBI may also result from their greater propensity to risk and willingness to take new initiatives. Standing (2015) states that if an employee realizes they will not end up on the streets in the event of a failure with a new career initiative, they

are more likely to take the risk of acquiring new skills or abandoning deprived jobs to try their luck as a freelance craftsman (Standing, 2015). Workers' greater bargaining power may entail more pressure on employers to increase wages and improve working conditions. This can result in a reduction in the rate of return on capital and thus capital flight, replacement of savings with consumption, and even organized investment strikes. Moreover, financing the instrument by increasing the tax burden may provoke a rebellion among the working society against reducing wages for work or demanding an increase in wages (Van Parijs, 1990). This will increase wage rigidity and, thus, a failure to adjust the labor price to the strength of supply and demand. This will make it impossible to achieve a state of equilibrium and will increase the problem of unemployment (Szlinder, 2018).

The introduction of a UBI would recognize socially helpful work as equivalent to paid work. People taking up unpaid work could do it for more time because they would have a livelihood. This could encourage work that is not paid in a market economy, such as volunteering and charity work (Nawrocka, 2018). It would also support people who look after the home, children, or people with disabilities and contribute to women's emancipation in the labor market (Pateman, 2003). In western culture, women take up professional activities but less often work full-time, earn less, and work in less prestigious positions. Men in households often play the role of "free riders" who do not perform household chores and benefit from unpaid work performed at home by women (Pateman, 2003). That is why feminist circles are more and more often in favor of a UBI, believing that this benefit favors feminist postulates more than any other because it enables the realization of individual preferences, making it independent from the requirement of participation in formal social relationships (such as marriage or family). The financial independence guaranteed by the UBI would allow women to reconcile their work and parental responsibilities (women would not be forced to work full time, as this part of the income would be provided by a social grant), would allow them to free themselves from the compulsory guardianship of tyrant husbands (also in times of crisis related to with material difficulties, such as divorce or single child-rearing), would neutralize the male-centered bias in the labor market and possible injustices of a bureaucratic and administrative nature (Karalus, 2015). Therefore, more and more often, feminist circles support unconditional basic income, they believe that this benefit favors feminist postulates more than any other because it enables the economic independence of women and it is an element of emancipation. Not only can women gain an income that can keep them safe, but they will also be able to engage

more in public and political life as the link between living standards, and employment will be weakened. Thanks to this instrument, the perception of work as purely paid work would change. The efforts made by women, among other things, in caring for children, the sick, and the disabled could be appreciated. However, there is a risk that it may also strengthen the gender division of labor. Women who receive an unconditional income and are homemakers anyway may stop looking for paid work and engage in unpaid domestic activities even more. On the other hand, men, encouraged by women's presence at home, will be even less involved in housework.

METHODOLOGY

The research method was individual in-depth interviews. They were conducted from 8 to 22 June 2022. The research sample consisted of respondents whose bargaining power on the labor market may be weakened due to a break in work. Table 2 presents the characteristics of the respondents. The recruited women whose work is considered socially useful - they raise children. Among the four respondents, all were on maternity leave.

Table 2: Characteristics of the respondents

	R1	R2	R3	R4
Age	29	23	25	23
Average monthly net income	Up to 1000	2001-3000	1001-2000	2001-3000
Work	Permament contract	Fixed– term contract	Permament contract	Permament contract
Education	Higher education	Secondary education	Secondary education	Secondary education

Source: Own study.

The presentation and explanation of the definition of UBI preceded the study. The respondents were asked the following questions:

- 1) Have you decided to return to work after maternity leave? Why?
- 2) Would the UBI change your decision to return to the labor market?
- 3) What would be the minimum amount of UBI for you to feel that your life needs are secured?
- 4) Is there a UBI amount that would make you quit your job? If so, which one?
- 5) Would the income from UBI make you work less?
- 6) In your opinion, does UBI impact an employee's position on the labor market, i.e., would the employer have to change its approach to employees?
- 7) Would UBI change your approach to work? What would change?
- 8) How would the form of your work that would be appropriate for you change after the introduction of the UBI? Why?
- 9) Would you be ready to bear a more significant tax burden on the work performed to be able to use the UBI? Would you be prepared to give up other benefits, such as maternity benefits, to benefit from UBI? Would you agree to increase the state's indebtedness and burden future generations with the cost of implementing the UBI?

- 10) Would UBI make you decide on any professional initiative (e.g., retraining, opening a business) that you did not want or could not decide on before?

- 11) Would UBI make you spend your time volunteering, becoming politically involved, or on your passion or family life?

RESULTS

The respondents' answers show that the decision to return to work is related to their life situation and commitments (including financial ones, e.g., a loan) and their general attitude to life and professional activity. The decision not to go back to work is complex and risky: "it is a tough decision as I have two children and there is a problem with taking care of them, so I have not yet decided whether to return to work. I am thinking about a childcare leave, but I don't know if we can handle it financially because it is underpaid." Welfare of their children and parenting are the most important for mothers: "this could delay my return to work; I could even think about a different job without commuting because I have about an hour's travel every day, one way. I could think of reducing my job to split it in half with what I could get from taking care of children and half, for example, from a typical salary from work. Most of my employees work remotely at work, so maybe I will return to remote work".

The UBI amount is essential for the Respondents, a relatively small amount would be treated as additional income: "If it were a small amount, I would treat it as additional income, and at the same time, I would work as if I did not have this benefit."

The higher it is, the greater the respondents' tendency to limit, for example, work time: "Despite the granted benefit, I would still go back to work. I like my job; I don't want to stay at home all the time. The UBI wouldn't make me go back to work later. Depending on the amount of UBI, I could work different hours". This amount is determined subjectively, compared to the current income from work, living costs, material status, and needs related to raising children.

UBI influences the position of the employee in the labor market. The respondents point to the weakening of the employers, which would positively impact employees' decisions: "I think many people would quit their jobs—the example of other benefits show that receiving benefits does not motivate you to work, on the contrary, because why would anyone work when they receive money from the state? I think that would be a problem in the labor market. Employers would have to make an effort to get employees or hire foreigners. The employee gains the security that he would have monthly security in the event of job loss or an accident. I believe employees would be treated differently. At a time when there were many employees, employers had less respect for employees, and in a situation when there is a shortage of employees, employers will become humble. They will have to provide some social packages, trips to encourage or not lose people."

UBI could strengthen the position of mothers with young children. It makes greater psychological comfort and greater security in situations related to, for example, children's health, but also in terms of work efficiency - the possibility of flexible working hours, remote work, etc.: "It would give me inner peace, knowing that despite keeping my job or resigning from it, for example, because I will not get parental leave, I will know that I can take up a new job on a different date or look for it without stress. You can find a job in these times, but it will not always suit us in everything."

UBI will change the personal attitude to work to a limited extent. It will not completely change the mood but will "facilitate" decisions related to the moment of return to work, time and form of work, and even the level of commitment or professional choice: "The number of hours would be reduced, and I think that if I had not found a better offer, I would have

worked the same way only for fewer hours. If I had the opportunity, I could work remotely, but I would have to change the industry because salespersons cannot work remotely. Of course, I would prefer hybrid work, remotely, but I would have to leave, that is, remotely and stationary, to meet people anyway".

UBI reduces pressure on higher wages: "I think there would be less pressure on myself to earn more and more." Working for a mother with a child ceases to be a compulsion and becomes a form of self-development. The preferred condition of work at UBI: remote (or hybrid), to a limited extent, but maintaining contact with people, conducive to self-realization, meeting one's own goals, and realizing one's plans: "The work would not be compulsion; I would do it for myself, for self-fulfillment. It would not only be an obligation that I wake up in the morning and have to go to this job. I would not have to worry about how we will handle next month, for which we will pay the bills; I would only have at the back of my head that our finances are secured for basic needs and the additional amount that will contribute to our budget will be related to what we would like to buy or collect for one day". The respondents would take care of personal development, education, and starting their business activity, provided that there is a predisposition to entrepreneurship. They would decide on additional training and courses and increase their qualifications: "I would bet on education, additional courses, new fields of study. I chose my current studies regardless of my workplace. I study a field that fascinates me and binds my plans for the future with it."

CONCLUSIONS

Unconditional basic income is an instrument that would impact the labor market. UBI increases the bargaining power of an employee in the labor market, including women in the most challenging period of returning to work - after maternity leave. It does not discourage people from working, on the contrary, it favors taking up new professional initiatives and improving qualifications. A UBI would allow women to invest in education and personal development and provide a sense of economic security. A key aspect of the impact of UBI on the labor market is the amount of this benefit. It can be considered an additional amount that does not provide economic security but reduces work pressure. Moreover, it would change the preferred form and number of employees working. UBI would contribute to creating an employee market that could work more flexibly.

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