THE DYNAMIC ROLE OF BASIC INCOME ON THE BARGAINING POWER OF THE PRECARIAT

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THE POWER IMBALANCE BETWEEN LABOUR AND CAPITAL

• The increasing gap between capital and labour share

• How production and distribution works
  - Neoliberalism (Agency): neutral or natural process towards supply-demand equilibrium
  - Marxism (Structure): antagonistic contract between capital and labour

• The role of institutions to balance the power
  - collective bargaining system as a channel to express their dissatisfaction and to require better benefits and working conditions
  - allocating power resources in favour of labour
THE LACK OF BARGAINING POWER OF THE PRECARIAT

- The Precariat as a newly emerging social class (Standing)
  - Chronic and Multi-dimensional insecurity that stems from unstable employment status

- The distinctive position of the precariat in labour market/welfare system
  - Exclusion from the strong tie between labour market participation and welfare benefits + Absence of collective bargaining

-> Is there an alternative mean to directly deliver power to individuals?
BASIC INCOME INDUCED EMPOWERMENT THESIS

• The potential of Basic Income in transforming power relations in labour market
  - The assumption: precarious workers cannot demand better deals due to the fear of losing the job which results in income insecurity
  - The logic: stable income irrelevant to their employment status would offer an exit option, which put pressure on employers to accommodate their demands

• The linear link between Basic Income - Exit option - Bargaining power
  - Theoretically plausible, but practically questionable
THE DEBATE ON THE ROLE OF BASIC INCOME

• Diverse stances
  - Power to say No to the bad deal (Widerquist, 2013)
  - Strike Fund (Wright, 2005)
  - Exit trap (Birnbaum & De Wispelaere, 2021)
  - Erosion of collective power (Gourevitch, 2016)

• Not conflicting, but different aspects of the argument
  - Then, under what conditions Basic Income works for each case?
RESEARCH AIMS

- Effectiveness of Basic Income a policy option: Political economy perspective
  - Identifying specific conditions that Basic Income either promotes and hinders the bargaining power of the precariat (both in individual and collective levels)

- Building a coherent and comprehensive theoretical framework
- Exploring how Basic Income differently operates in diverse bargaining contexts through empirical sub-studies
THE NEXUS BETWEEN BASIC INCOME, EXIT/VOICE AND BARGAINING POWER

• From “Power to” to “Power against”
- Resources and (systematic) luck that affect the relative power
- Having capability ≠ Exercising power ≠ Successful result

• Not answerable as it is, but requires unpacking
- Link 1 : How basic income affects individual decision making in terms of exit and voice? (individual level)
- Link 2 : Are those options effective means? (structural level)
DIVERSE EXIT OPTIONS

• Weak, strong and radical exits
  
  - the key dimension: labour market participation (dependency level)

1) What exit option means to individuals - motive

2) How Basic Income functions

3) Conditions required to be activated

4) How to affect bargaining power at collective level

- Heterogeneity of the precariat and diverse bargaining context
HOW EXIT/VOICE OPTIONS WORK

- As a capability: means and intention (Dual role of basic income)
  - Means that is not fulfilled by Income support
  - The change of intention

- As a strategy
  - Estimated cost and benefit (Accessibility, upward mobility, and solidarity)
  - Relationship between exit and voice (diverse power resources)

- Employers’ response to exit and voice
  - Exit matters when it exceeds certain level compared to more responsive to voice
  - The benefit and cost of diverse options: outsourcing, downsizing, offshoring etc.
CONTRIBUTION

• Sophisticating the argument
  - Identifying conditions that differ the trajectory
  - Clarifying the limit and potential of Basic Income

• Strategic Basic Income design
  - Subject focused and context specific
  - Generosity (Targeting) or universality (Solidarity)
  - Modality (duration)