



The Psychological Rationale for Basic Income

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Contents

Abstract	v
1. Introduction.....	1
2. The psychology of distributions	1
3. Basic income as need versus equality.....	3
4. The Nation Health Services (NHS) in the United Kingdom	4

Abstract

Audience: Range of interested parties from political scientists to activists and committed lay people. Assume no background in psychology.

Main points: Distributions have important *and real world* psychological effects on how groups and societies function. A basic income could be seen as need or equality. A citizens' income could increase social cohesion and/or cooperation.

Conclusion: That a basic income has the potential to be a fundamental part of our experience of society which colours our basic perceptions of/what it feels like to be part of a society in the way the NHS in the UK is fundamental building block of the type of society that the UK is.

1. Introduction

This paper is intended to give you a short overview of the relevant areas of social psychology, which bear upon the arguments for and against a basic income. What I hope to demonstrate is that the distribution of resources has real world consequences and those consequences are the result of the psychology of distributions.

2. The psychology of distributions

Many people have heard of something called equity theory, and it is often presented (almost always by non-psychologists, and almost always by economists) as *the* psychological theory of justice. It was first formulated in 1963 by John Stacy Adams and says that people will perceive their rewards to be fair when those rewards are in an appropriate proportion to their inputs. However, since the early 1970s, this has been considered to be only one possible distribution rule, or principle of justice.

Work in developmental psychology, in organizational psychology and bargaining studies all suggested that there was more than one rule of distributive justice and that these rules were not simply versions of one single all embracing principle. Researchers noticed that people tended to choose, advocate or support different types of distribution when they wanted to promote different goals such as reducing conflict or promoting cooperation, when they wanted to flag up different types of social relationship such as close familial friendships vs. strictly reciprocal participation.

A series of experiments bringing people together to work on group tasks found that when people were encouraged to get on as a team they tended to choose equality; and when they knew that their rewards, usually their group bonus, would be distributed equally, they tended to be cooperative, they tended to get on as a team. In addition, their productivity increased, even though the people themselves actually believed that a proportional distribution would motivate them best. And when people did work under a proportional distribution, when they

were paid by results, they tended to see other people as different, less cooperative and they felt less positive about them, and this form of performance-related pay did not, by and large, increase their productivity.

Another series of experiments tried to see how Rawls famed “veil of ignorance” would actually affect the choices made by a group of people who were working together and had the chance to discuss how their rewards should be distributed (and no one chose Rawls’s difference principle). They found that redistribution actually encouraged those who were producing least (this was a proof reading task) to increase their contribution to the group’s output, and by a bigger proportion than any of the other, better performing, participants. The move toward greater equality had motivated a significant increase in productivity.

Over the last thirty years, three general principles of justice have come to be recognized by justice researchers:

- § proportionality or equity, that members of a group should receive rewards in proportion to their contribution, input or investments;
- § equality, that all should get the same, and need. An important area of justice research has come to deal with the way that these different rules are associated with quite different motivational orientations in the individual, with different attitudes to that group; and
- § with quite different types of social relationship between the members of a group.

An important theory of distributive justice says that these three different types of distribution are qualitatively different. They are not versions of the same thing. They are different in kind. There is an accumulation of evidence that links proportional (equity based) distributions to competitive or individualistic orientations and relationships, equality to cooperation and need based distributions to caring or communal relations.

When, for example, I asked people to describe the distribution of resources in society, it is very noticeable that when they were talking about proportionality or

equity they tended to describe other people as different, differentiated from each other. When they talked about equality, they tended to describe people as essentially similar. But when they talked about need, they rarely bothered to mention the characteristics of individuals at all.

In the same way when they were being asked to explain their why these distributions were there, they talked about society as a community with equality, a caring society with need, but with proportionality they hardly bothered to mention groups at all.

The point I would like you to take away, is that there is thirty years of evidence in social psychology that equality is linked to cooperation and often to greater productivity. There is evidence that need-based distributions foster communal, welfare-based relationships. The distribution of resources in society is about the kind of relationships we have with each other, and therefore about the kind of society we can have.

3. Basic income as need versus equality

So the first conclusion from the psychological literature is that the type of distribution in which people participate can have a profound effect on how people perceive the group around them, and that effect can often be in spite of the beliefs they themselves behave about the motivating power of those distributions.

There is a second very important psychological factor in considering basic income. The above evidence implies that a basic income, given to everyone as of right, as a form of equality will, in fact, foster co-operative attitudes in society, and hopefully motivate greater co-operation. The evidence from psychology also suggests that more egalitarian distributions tend to increase productivity, especially on tasks requiring cooperation and most tasks in our highly interconnected and interdependent society require cooperation and coordination.

However, more than one review of the justice literature has questioned whether the link between rules and types of social relationship really is anything more than cultural accident: in different social situations different rules are used, and the different situations often include different social relationships but the

pattern does not make sense. If, on the other hand, you concentrate on how the participants actually see the situation, then there is a fairly robust association between how they see the social relationships and the rules they describe or advocate.

Again, it has long been known that people have apparently quite contradictory attitudes to distributions; Swift et al., (1993) have pointed out that these contradictions disappear when you look in detail at how people are actually seeing the situation. These are what psychologists call “framing” effects. Responses will differ depending on whether someone sees an outcome as a gain or a loss; whether they are thinking about income as a social good, or pay in the workplace, even though for most people these are pretty well the same thing. They will disapprove of private medicine when they are thinking about overall outcomes in society, but accept it when they are thinking of the individual’s right to make provision for themselves.

So it is necessary to think about how basic income will be seen. Will it be a “citizens’ income” rightly the same for everyone? Or will it be a “basic income” intended to cover “basic needs”: after all, someone with multiple disabilities has a far greater basic requirement than a fit and healthy adult, and it may not look very equal to them. This is a debate we need to have.

4. The Nation Health Services (NHS) in the United Kingdom

The central rationale in this paper is that knowing how ordinary people perceive, think about and talk about distributions is important for how basic income is seen, and thus how we should present it and argue for it. But it is also important for the larger scale arguments we make because it has the potential to have a profound impact on the sort of society we have.

If you get people to talk about the society they live in, when they use different distribution rules, or principles of justice, they actually use a coherent set of descriptions of the society around them. These include the nature of society as a group, the nature of social relationships and descriptions of people; they also

include descriptions of the distribution mechanism. Bill Morris, General Secretary of the Transport and General Workers Union in the UK, at a rally against the creeping privatization of our health service, insisted that how we provide our public services is about the kind of society we are. He is right, because how something is provided is intrinsic to what is provided: the NHS is an institution whose goal is the provision of healthcare according to clinical need.

The NHS in the UK is not only extremely popular with ordinary people, it is crucial to the kind of society we are. If a child is born with serious multiple defects and disabilities, that child will go to the Hospital for Sick Children in Great Ormond Street. No one will ask the parents if they can afford it. But more than that: paying, exchanging money, simply does not come into it; it is not a money-based transaction. And we taking it completely for granted. When I asked people to talk about the distribution of other resources than income, I did not, in fact, elicit a great deal of material concerning the distribution of healthcare because it is so completely taken for granted. Waiting lists and delays in accident and emergency notwithstanding, the principle still stands: if you need treatment you are treated and you don't even have to think about paying for it.

In the sixties the Garfinkel did a famous piece of research, which laid the foundations of much social phenomenology. In one example, he asked his students to go home and play the role of a lodger in their families: their families were outraged at what they saw was bizarre and uncooperative behaviour. The students were challenging assumptions about the situation, which were completely and utterly taken for granted. The taken-for-granted is very powerful psychologically.

The ILO has undertaken a large-scale survey of socio-economic security, in which access to healthcare is seen as part of basic security. I would like to suggest that such access, as exemplified by the British NHS, and in particular its taken-for-grantedness, has a profound effect on what our world feels like, and on the kind of society we are.