

Book Review

Hein Marais (2022) *In the Balance: The Case for a Universal Basic Income*. Johannesburg: Wits University Press. 299 pp. ISBN 9781776147724. US\$30 (paper)

*Reviewed by
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Hein Marais makes an exciting case for the introduction of a universal basic income (UBI) in South Africa based on the underlying trends in the global and South African capitalist economy that result in the ubiquity of poorly paid jobs, excessive income and wealth inequality. In agreement with Marxist theorists, he points out that there are internal contradictions to capitalism, involving the conflict between the generation of private profits and nature (waste dumping, burning fossil fuel to generate global warming and climate change), care work (which is unpaid and provided mostly by women), and public legitimacy (not enough job creation, increasing automation). In the context of economic stagnation, automation and the financialisation (debt) of the economy, UBI can reduce poverty, improve labour bargaining power (akin to a “permanent strike fund”), fulfil ecological aspirations in a green energy transition and reinvigorate democracy (p. 5). People will benefit from not having to rely on the labour market to survive, which has the advantage of no longer needing to fetishise full employment in a neo-liberal low-wage economy. Uncompensated care work and family work will also be valued more with UBI.

The book is very well organised. It summarises the history of UBI and the crisis of insufficient creation of good jobs in capitalist societies, and lays out the main arguments for and against UBI, the funding of UBI and the political economy changes required to attain UBI. It is presented in such a way that readers unfamiliar with the UBI literature can understand its context and uses. For non-experts on South Africa, there is important context for the UBI debate. First, South Africa has been very reliant on extractive mining and energy sectors, which only require low-skilled workers with very low pay (p. 45), and even those jobs are threatened by job cuts due to automation (p. 47). There is an increasing financial sector, but this only comprises 2 per cent of all employment (p. 46). Without sufficient job creation, the South African government has increased social spending via so-called “social grants” that were expanded during the COVID-19 pandemic, benefiting 11.5 million people out of a population of 60 million (p. 50). These social grants could be a precursor to more expansive social benefits. However, the weakness of the social grant is that it excludes able-bodied adults, and the means-testing makes the programme overly bureaucratic and wasteful – that is, resources that could have gone to fund UBI are used to sustain the overseeing bureaucracy. Furthermore, adding paperwork excludes eligible participants who do not know how to or could not complete it (p. 134). While South Africa is poorer than the Global North, it also has a significantly smaller welfare state, which should make it easier to start a UBI policy from scratch (p. 125).

I end the review with some thoughts and critiques. UBI can be a catalyst for more egalitarian social change, and Marais argues that it is desirable (and so will many of his likely readers). However,

that is perhaps the reason why more conservative people continue to oppose it. Marais himself points out that capitalists' "sway over the distribution of the [economic] surplus across society is threatened when large expansions of social provisioning occur" (p. 151). In other words, the powerful will oppose UBI for ideological reasons, fearing their own loss of power. While Marais is correct that the problems in capitalism make UBI necessary, he has not addressed whether the long-term success of that policy can occur within the framework of capitalism, which relies on continuous surplus extraction from workers who lack independent means of survival. If the UBI is high enough, then surplus extraction could be threatened, while if it is too low it will not achieve the anti-poverty targets desired by activists and scholars.

In the context of South Africa, Marais points to the "anachronistic" focus on industrial manufacturing to create jobs, and instead promotes a focus on education, healthcare and livelihood support via the state (p. 163). But the gains on the latter in the Global North have come from the former, so that raises the fundamental question about whether the Global South can first generate sufficient economic activity (presumably via capitalist industrialisation) and then use sufficient state capacity to maintain UBI over the long term. I am not convinced that the lack of industrialisation can afford UBI, but it is possible that social policy and economic development can occur simultaneously. Marais is convinced that South Africa's economic development should be based on high "value-added exports with a bias towards 'greened' goods and services" (p. 173). So what are those greened goods? Earlier he noted that coal miners would be beneficiaries of UBI during the transition to renewable energy (p. 69), which is not a sector that laid-off coal miners will automatically gravitate towards. Can solar panels and windmills form a viable export economic model for South Africa (which will also help fund UBI) or will the competition from Asia and the West make that an unlikely prospect?

My last comment revolves around UBI activism. The author notes that many surveys point toward more support for UBI but that a "generalized desire for a UBI cannot be assumed" (p. 187). Even assuming the generalised desire for a policy, we don't know whether that will translate into its implementation later. This leaves us wanting to know what would have to happen to realise UBI and whether it is likely that South Africa will be among the first countries to get there. But as long as it has not been realised anywhere, this is idle speculation anyway and certainly does not detract from the value of this book to UBI activists, supporters and open-minded sceptics.

BIOGRAPHICAL NOTE

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