

JUSTICE AND FREEDOM : BASIC INCOME FOR ALL

A lecture given by Monique DURIN MARCHAL,
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Introduction

The aim of my lecture is to present and justify the Basic Income, also called Existence Income. It concerns Human Beings universally.

However, the practical problems involved in introducing it will be treated only in the context of our industrialised countries - and then only in summary fashion.

Having established that there is more and more duality in the way our society works, and thereby more and more injustice, **the underlying reasons** must be sought in society's moral and religious foundations and in the economic system.

These foundations will then be examined and lead to the realisation that it is quite possible to **dissociate work**, as means of production, **from income**, as means of consumption.

The Basic Income then appears quite naturally as the solution. It remains only to define the practical details and a way of financing it. A very brief history will show that this idea is two centuries old and that its propagation is now making great strides - to the point where it is being introduced in Brazil in 2005.

I - Analysis of the situation

There is a strong **desire for justice and freedom** in the heart of each human being. K.G.DURCKHEIM said that the deepest despair a man can experience comes from injustice and above all his powerlessness in face of it. The same may be said of deprivation of freedom, which, being collective, often results in violent revolt.

We should take note that this double deprivation is **the lot of 2/3 of humanity**, those 2/3 who live below the poverty line: for freedom and justice are not abstract concepts but concrete realities - which also concern, and increasingly so, individuals in our developed countries.

1- Dual society and its moral and religious foundations

In our country, too, freedom and justice **are mocked**. We live in a society of constraint, where the "privileged" are often slaves to their work (either owing to pressure to produce, or on account of its boredom or harshness), while others are prisoners of the unemployment system, which rules out any complementary activity through humiliating regulations (example of live-in partners).

With regard to justice things are no better:

- a) some, by a snowball effect, enrich themselves thanks to income from their capital;
- b) others, on the contrary, plunge into debt, seduced by advertising.

Two vicious circles revolving on different orbits that hardly ever meet. Fortunately, there is something between the two!

This duality is prejudicial to overall prosperity.

This can be easily understood through the following example:

If a sum of 1,500,000 euros is shared between 1,000 people, each acquires a purchasing power of 1,500 euros, which may easily be transformed into actual consumption.

If the same amount is shared between 100 people, each acquires a purchasing power of 15,000 euros, which will not be entirely transformed into actual consumption - and, furthermore, 900 citizens will be barred from the market.

Now, if only 10 people are included in the share-out, the purchasing power of each will amount to 150,000 euros, of which even less, obviously, will be transformed into actual consumption.

The example shows, globally speaking, that as assets are concentrated in fewer hands society loses in terms of “circulation of money and consumption”.

Yet the accumulation of assets is justified, still today, on the basis of moral and religious concepts which excuse everything, even injustice.

a) moral concepts:

Wealth comes from work, intelligent labour, and is therefore just. In the same way it is just to inherit the fruits of one's parents' labours.

b) religious concepts:

-**The Bible** is quoted to support the theme, for it presents characters whose visible riches are a sign of the grace they have found in the eyes of God. It is a short step to the conclusion that poverty is a sign of disgrace, hence blameworthy and not deserving of compassion.

- **Buddhism** speaks of karma to explain present misery, but I shall not venture on to that territory.

These justifications are increasingly questioned but they still provide the basis, without raising any problems - at least on the moral plane -, for the desire for ever more riches.

Behind this “ever more”, which has nothing to do with the necessities of life or even with the desire for surplus, hides - and hides effectively - **the desire for power, for domination by some of others.**

If the matter of wealth and poverty were merely a case of disequilibrium it would have been sorted out long ago. But “power” - not necessary authority - is not given up so easily. These days it is obviously more difficult to justify, so recourse is had to intellectual, cultural or racial superiority, or to supposedly eternal and absolute economic laws based on the (false) postulate that the pursuit of personal interest by the individual leads naturally, miraculously, to the general good. And one is surprised when there are reactions!

2- Reflexion on the rôle of money

Perhaps we should start by agreeing what we understand by wealth and poverty. We are conditioned to see nothing in these words but money. But money, if we think about it, is not a good, but merely a means of exchanging one good against another. In theory there should be a balance between the money supply and the quantity of goods for exchange. And the creation of money should be reserved for the State as the regulatory authority responsible for the sound circulation of

goods. But what do we see? Who creates the majority of the means of payment, that is to say 85% of them? The banks, through credit (credere = to believe). We should not believe that money lent - credited to an account - is provisionally withdrawn from another account. **In fact it is a purely paper creation based on nothing!** It is not the result of production. It should therefore receive no remuneration, except a small amount to cover the administrative costs of the book entries.

Such creation of money from nothing should be at the SERVICE of production: for more production more money is needed - under the control, of course, of a regulatory body. Money exists for production and the circulation of what is produced. But what do we see? Entrepreneurs are refused needed credit for lack of guarantees, and the production of wealth is strangled. And the unemployed are refused the bank credit generally accorded to cardholders.

Once the credit is accorded, the borrower must get back from someone else the cost of it (capital + interest), or he will become bankrupt.

This mechanism applies both to private entrepreneurs and to governments. In order to pay the interest, private entrepreneurs must increase their profit; there are 3 ways:

- 1° - **by putting up** prices (and reducing purchasing power)
- 2° - **by increasing** productivity through bringing in machines (and reducing employment)
- 3° - **by reducing** the cost of raw materials (and reducing income to developing countries) and/or the cost of labour at home (and reducing purchasing power).

In each case someone pays! If it is not we, it's someone else. As for the State, it recuperates its debts through taxes.

And if, in our (industrialised) countries, the standard of living has gone up appreciably, it is because for a century, and in spite of machines replacing workers, soaring productivity has been acceptable thanks to the wage increases gained as a result of continual social strife - except in the celebrated case of Henry FORD, who increased wages off his own bat. This has finally proved very profitable for the entrepreneurs: **for who would have bought all those cars, all that production, if purchasing power had not gone up?**

At the same time purchasing power in Third World countries has gone down, for we have underpaid them for their raw materials.

3- An ineffective redistribution system

To compensate loss of income owing to loss of employment our countries have a redistribution system. But it is mainly based upon, financed by, the taxation of work. The employed pay for the unemployed. And in the context of profit maximisation the result is to kill yet more employment, by moving production elsewhere or by automation. At the present time 50% of the wealth produced by the country (Belgium) is tapped by the State, and this results in enormous wastage owing to the considerable administrative costs occasioned by very complex control regulations. In Belgium 953,000 people are employed by public authorities; the same number as those employed in industry. You can see the vicious circle : more unemployment, more allowances, more social security contributions, more migration of production, more unemployment.

To conclude, there are two mechanisms that fundamentally hold back general well-being:

- 1° - **The private banking system**, which deliberately ties up those who create wealth in a web of debt swollen by interest payments.

2° - **The political system**, which links redistribution of income, and hence of purchasing power, to employment - and this in an industrialised economy which needs less and less manpower to produce its goods.

Cynicism and the absurd join hands to stifle justice and freedom; their moral foundation is a value system that sees work as the sole justification of income and human dignity, and “wealth” as the sign of divine blessing. Before tackling the mechanisms, we should examine these “justifications”, dividing them into two parts:

- 1°) human dignity depends on work
- 2°) work alone justifies income.

II - Examination of the moral foundations

1- Human dignity depends on work

What appears to be a postulate is in fact but a principle raised to moral value in order to conform to a sociological reality, which it seeks to justify. What is meant by work, one should note, is a paid activity (it's not gardening!).

Yet work has not always been held in such high esteem - far from it! In Classical times the highest moral value was given to study (philosophy): a noble activity *par excellence*, and one which required leisure. Dignity lay with the idle and indignity with the laborious. Greek democracy accorded the right to vote only to the leisured and it appeared natural to the Romans to consider imperfect those who worked !

This view of work lasted until **the 18th century** in the minds of the nobility. The latter possessed the capital (land) but regarded work as something coarse, fit only for churls. As prosperity came to be seen as the result of making capital fructify (through machines) by organised labour, the nobility gradually lost out in favour of the *bourgeois*, those engaged in trade and industry.

However, the negative view of work lived on. “Work, take trouble”, wrote Jean de la Fontaine.

After the French Revolution the bourgeois sought to become the dominant class, and to change the social order through innovation, talent, capital - in short, work.

Today, this work ethic is undermined by the facts. There is no longer enough paid work for everyone - at least in the present political economy. Machines have largely replaced people - and one rejoices in that - and only 25% of the world population is now needed to produce what is necessary to satisfy basic needs.

“Political assurances of full employment are lies. Only if wages were considerably reduced could full employment be assured. But, in our country, such a thing is impossible short of revolution. It is impossible to preach full employment and high wages. A choice has to be made!

“In this context the underlying work ethic results in finding fault both with those who work (and steal the work of others) and with those who do not work (but eat the bread of others).

“In historical terms this work ethic, with which we are so impregnated, is actually of rather recent origin; it was contingent on a certain period and there is nothing absolute about it. Christ does not moralise about work. One of the rare occasions where he mentions it is in the parable of the

labourers, in which those who come and work for only the last hour are paid as much as those who have worked the whole day!

“This work ethic prevents us from understanding our modern times just as the view of work as immoral prevented the nobility of the 18th century from understanding theirs.”

(B.JARROSON and M.ZARKA, “From the defeat of work to the conquest of choice”, Dunod 1997) (J&Z)(1).

2- Work alone justifies income

This principle, espoused by politicians but not by individuals (!), should be understood, once again, in the sense that only working for money creates a right to income, whether the work is ongoing, in the past (unemployed, the sick, pensioners) or for the future (students, apprentices). **Thus being the full-time mother of a family creates no right to income - although the occupation is rated of high social value.**

A. HOW CAN YOU APPLY A PRINCIPLE WHEN THE FACTS ARE AGAINST IT?

a. From the economic point of view we see that:

1° there is **not enough** work for everyone - at least in the present economic context;

2° income **from capital**, on the other hand, **is constantly going up** (estimated at 20% of GDP in 1992 (J&Z)). One sees many people living on their investments;

3° in a society **where fewer people work more is produced**. Powerful machines can take the place of manpower for all routine tasks (muscles - agility - memory - logic). This process, the fruit of generations of effort, is irreversible. **Out of what is a catastrophe for some people, we must make social progress for all people.**

b. From the political point of view -

we see that the measures taken to redress the imbalances actually contribute to **the creation of unemployment:**

- unemployment benefits barely lower than the minimum salary

- guaranteed minimum income benefit subject to criteria that put people off.

c. From the social point of view -

we see high value put on riches without work: the more a job allows spare time, the more it is paid (e.g. screen and sports stars). The really big fortunes are based either on genius (Bill Gates), or on financial speculation, or on mafia-type activities. Talent is increasingly at the origin of income: we should therefore encourage talent.

B. THE ROLE OF WORK IN THE ECONOMY NEEDS REDEFINING

We have seen that the value put on work is entirely relative. But how is it seen in the sacred economy? What is the aim of the economy? Its aim is to satisfy needs through consumption. To produce with labour, capital and talent is one thing; **to consume by exchanging income for goods is another.**

Labour is the means of production; income is the means of consumption. These two means do not have to be linked; they can quite well be separated. What prevents their separation is the social prejudice **which links man's identity to his utility:**

- "What do you do in life?" - "I dream, I contemplate my garden, I stroke my cats, I telephone my friends ..." - A smile - ironic, doubting or disturbed. It's the same if I say I garden: what a useless activity!

- But if I talk of reading or of the computer, it's much better: I consume, I'm back in the economy and hence in society! We confuse utility, usefulness, with realising oneself.

Should man be useful? The debate is open - it must be opened. Personally, I shall reply, "Yes, if he needs to be to realise himself, not otherwise" - and then what does it mean **to be useful?**

We have seen that the dignity of man does not depend on work and furthermore that work can be dissociated from income. On the other hand, justice and freedom require access to income.

C. THE IMPORTANCE OF A RIGHT TO INCOME

The right to income should be recognised quite simply as the right to live and to choose one's life within a social context and without losing sight of the general good.

Even without explicitly formulating a right to income, certain countries (including Belgium and France) **have chosen to distribute income rather than work.** Why are there fewer unemployed in the U.S. and the U.K.? Quite simply because they have allowed wages to fall. Is that a success? Wouldn't it be better to provide income without work rather than work with practically no income? Yes! from the human point of view - without speaking of the risk of violent reactions.

But unfortunately this redistribution of income resembles an anarchic, disjointed, humiliating succession of different kinds of help - which, judged against their aim, are also absurd. (E.g. unemployment benefit, family allowances, old age benefit, housing allowance, grants and loans for setting up new businesses or for the creation of jobs, aids to agriculture, guaranteed minimum income benefit, etc.) **They involve huge costs to administer and, in spite of that, give rise to colossal fraud** and hence popular indignation, and hinder people from getting back into society through work - which was the aim. What is needed is to provide sound moral and rational foundations for general redistribution of income, which can be brought about by introducing an unconditional Basic Income.

III- Moral and rational foundations for a Basic Income

1- **The Universal Declaration of Human Rights** says in Art.1: "*All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.*" And in Art.25(1): "*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*"

2- **As sons and daughters of the Earth we are co-owners of its natural wealth and co-heirs of the work done by previous generations.** In an industrialised country this wealth is in the form of *material capital* installed (infrastructure) : it's the fruit of collective taxes from which active businesses derive benefit. This wealth is also in the form of *intellectual capital* (universities -

research centres), the fruit of the inventiveness of previous generations. And finally this wealth is in the form of a high *degree of efficiency* in production processes, the fruit of the sacrifices made or suffered by those who have lost their jobs.

“These three - fixed capital, knowledge capital and organisational capital - constitute a kind of collective inheritance, which at present benefits only those who are in the economic system.” (J&Z)

3- **“It would therefore be quite fair if the dividends from this collective capital were redistributed among all people, without distinction and without conditions, on account of their simply being members of society. At present one can say that the spoilt ones of the economic system have taken possession of this inheritance.”** (J&Z)

“It is not a question of tending towards communism. There is a link between Existence Income and liberal capitalism. Before Existence Income can be distributed it has to be created. And in the absence of any evidence to the contrary, growth, development and prosperity are found in capitalist and liberal societies. The flow of emigrants from the U.S. to Byelorussia is for the moment pretty modest: the fact must be faced!” (J&Z)

4- **“Let us note that the point is not necessarily to tax yet further the productive system, the entrepreneurs and producers, of whom much is already asked. The collection of levies is already well implanted. For example, nearly 80% of the price of petrol at the pump consists of taxes, which become effectively a tax on the right to pollute, indemnifying the community for its inevitable pollution. It must be shown that transfers from the productive system towards the poor are of the nature not of charity but of justice.”** (J&Z) (Since under the present system only the privileged ones, who have employment, receive an income, and that already includes the dividend on the collective capital.)

At present, **an Existence Income exists, but it is hidden, concealed among other incomes and above** all it is not distributed to everyone, and without conditions.

“It must be understood that all incomes, and particularly wages and salaries, are already made up of a part equivalent to an Existence Income, equal for everyone, and a part that varies with the activity it relates to. This reality is for the moment concealed by the link between employment and remuneration. The employer acts as the integrating agent, unconsciously bringing the two incomes together. That is also the reason why the whole of society turns to him and demands he create jobs. For the productivity of the individual on which his remuneration is based is not due solely to his own merit. Part of his productivity is due to the “economic field” in which he is immersed.

*“Take a pair of identical twins with identical abilities doing identical jobs, one in Tunisia, the other in France. The income in France will certainly be higher, and the difference can not be imputed to personal differences. It is due to the fact that the twin working in France profits from the accumulated efficiencies of knowledge, exchanges with others, various infrastructures, ways of thinking ... His income is therefore the fruit of a global productivity which belongs to all. And with all should it be shared. That productivity, a characteristic of **the “economic field”**, is always there, like a magnetic field - invisible yet always potentially present. It can only be shared equally, for nobody, before the activity takes place, can presume to know what use will be made of it. **Existence Income is the flow of resources coming from that global productivity, like the fruits of a collective inheritance.** It is only because, in order to get money income, it is necessary to go through the agency of an employer that those without employment are deprived of these fruits.*

“So long as full employment was guaranteed by the paid employment system this reality could remain hidden, but someone excluded from the economic field is thereby prevented from drawing on the collective productivity in order to realise his potential, to realise himself. He becomes like a demagnetised physical body, which can attract no other like body. Existence Income restores to each member of the community the right to co-ownership within it, the freedom to use its now so multi-faceted economic efficiency and the capacity to develop his talent.” (Yoland BRESSON, Existence Income: reply to objections. Cited by JARROSSON and ZARKA) (J&Z)

IV - Economic foundation of the Basic Income

This way of looking at things is a vision of a new economic model. Yoland BRESSON (2) says that *“The new economy represents a radical transformation, the second since the neolithic revolution, the emergence of agriculture dated at about B.C. 8000 - but a lot faster and deeper. Since that time men have organised themselves in the context of **scarcity of raw materials**: first that of food resources, then of goods of different kinds, up to the industrial products of today. The few developed countries - let’s say the members of the OECD - have cracked, with full employment, the problem of raw material scarcity. We are able to produce everything, in surplus, with less and less manpower. The whole of mankind could have enough - of food, material goods, money - **having only to solve the problems of organisation and wealth distribution.***

*“However, we can’t manage to change our liberal economy, which is an **efficient** producer but **inhuman** for the poor and marginalised, not because liberalism by its nature prevents such change but because the distribution of the benefits of the liberal economy is conceived in terms of **the scarcity of resources**. If Saint Paul said “he who works not eats not”, it is because when resources are scarce, intrinsically scarce, the greatest threat to a community comes from the parasite who draws on resources without contributing to their creation.*

“The new economy is first and foremost an economy of material abundance, and that brings considerable consequences which here we can only mention:

It was possible to take ownership of land and make it productive by the labour of others; or to own the machine, the fixed capital, and make it profitable thanks to employees. But when the man = talent, you cannot separate the use of a man from the man himself. He remains one and the same person. The talent is borne by the man himself, inseparable from him, and adds value only if he is motivated. The MAN becomes the capital and the saying “there are no riches but men” becomes a reality.

“The new economy requires a new way of thinking of man and society, a new scientific paradigm. In order to be effective, human capital requires liberty, choice, freedom from slavery to time. Look at artists: they have only ever offered their human capital. The model of lifetime employment guaranteeing an income will disappear everywhere. If we continue with this integrative mode in our society with a strict link between employment and income, the new economy will burst its bonds - and we shall be left either, if we leave things to market adjustments, with the working poor (“workers who remain poor because they are poorly paid”), or with an increasingly complex and costly social protection system, which will weigh down the economy and render it less efficient, providing no protection against marginalisation.”

V - How the Basic Income works

1- A sufficient amount

The Basic Income should be sufficient to live on and cover one's basic needs (discussions turn around the amount of 500 euros per month).

2- An individual right

Basic Income is granted to everyone individually: one is entitled to it because one exists. It signifies that as an individual one has the right to life and to human dignity. This entitlement arises at birth and the Basic Income is paid every month up to death. Neither one's family and economic situation, nor one's level of earnings from work are taken into account for the Basic Income, which is independent of all that.

3- An unconditional right

Nothing, and no person, can take away this right. No sanction or penal measure can touch it. To obtain it, there's no need to prove that one wishes to work, no need of a medical certificate: the simple fact of existence is enough!

4- A universal right

Everyone within a society is entitled to it, as a universal right granted by all members of society to each other, without exception

VI - How the Basic Income is financed

1. Principles

- 1° solidarity should be general and not only depend on the employed
- 2° taxation should be proportional to wealth.

2. Financing mechanism

To continue with the present system of taxation of employment is not an option: it kills employment by rendering it too costly for employers. To attempt to tax income from capital (at present taxed at 15% as against 55% for work) would lead to flight of capital. **And, as we have seen, flight of work, through moving operations abroad, has been considered preferable.**

Up to now, taxation, either of work or on income from capital, has been carried **out at source** - when the income is created. This system must be rethought so as to put all those entitled to income on the same footing. Levies should be made not upstream but downstream, **when income is transformed into consumption**. It is in the great river of consumption that all the streams come together and merge into one great mass of money, generating purchasing power, space for saving and capacity for redistribution.

In this way solidarity is general and levies are proportional to wealth, since each consumes according to his income.

Consumption levies (not the same as VAT) should be increased, but without putting prices up. This is possible because a given consumer price amount includes tax on labour. **This implies that social contributions levied on labour be replaced by social contributions levied on consumption.**

Three decisions are thus intimately linked:

- 1° grant of Basic Income of, say, 500 euros per month
- 2° abolition of social contributions levied on labour
- 3° introduction of social contributions levied on consumption.

Table showing employers' salary costs (as % of present total)

	present situation	with Basic Income
Salary/ wage	45	25
Basic Income	0	20
Charges on work	55	0
Cost of salaries and wages	100	25

Table showing the components of the price of a product (as %)

	present situation	with Basic Income
VAT	17	50
Charges on work	33	0
Real costs	50	50
Price to consumer	100	100

3. Budgetary feasibility

It is not possible here to go over again the precise budgetary calculations which have made and remade by eminent economists. It must suffice to know that the budget is balanced if one takes into account:

- **estimated consumption**, taking account of the expected increase in consumer expenditure owing to increased purchasing power
- **taxes and social contributions** of public servants, which appear as both income and expenditure
- **savings owing** to simplification and the transparency of the system
- **a tax** of 0.1% on financial transactions
- integration of **the "black" economy** into the regular economy, since work is no longer taxed.

4. Philosophy underlying consumption tax

Consumption tax allows the economy to be fine-tuned. This is because it is not fixed in linear fashion but applies variable percentages according to various criteria, such as: the fiscal efficacy of the tax; people's needs (basic or luxury); pollution caused by certain products; etc... It serves no purpose to raise taxes in a way that stifles the economy. To impose high taxes on basic products harms purchasing power.

An historic and economic logic underlies the philosophy of this tax. It is because machines (industry) have gradually replaced workers (craftsmen) that the latter find themselves out of work.

Yet our governments continue to tax workers instead of taxing (more correctly) machines.

To reverse the process it is better to do away with tax on services, on manpower, and increase tax on machine-made products.

In the building sector, for example, manpower is the big cost element. It is better to do away with tax on their labour and increase that on building materials.

Similarly, the service of a glass of beer in a restaurant would not be taxed - only the beer.

This manner of proceeding is more effective and more logical: **the machine will liberate the man, rather than rob him of his livelihood.**

VII - Economic and social consequences

1 - Economic consequences

1° To rationalise and simplify the social security system and, as a corollary, to reduce its administrative cost.

2° To encourage employment: the possibility of receiving a Basic Income together with a salary encourages the creation of jobs of low financial value but high social productivity (e.g. home health care; social welfare assistance; help for dependent persons; school assistants; ...).

3° To do away with the employment trap: in a system where unemployment allowances and paid (even lowly paid) employment can not go together, the unemployed are forced to seek attractively paid employment before letting go of their allowances. In a system of unconditional income, even low salaries when added to a Basic Income provide an acceptable level of net income.

4° To reduce the cost of work, with the result that:

- employers can more easily increase salaries;
- it is easier to hold concurrent jobs;
- firms regain competitiveness, particularly internationally, and are less tempted to move abroad;
- business expansion necessitating hiring of more personnel is no longer impeded;
- employment opportunities are multiplied without the need for costly State intervention;
- access to services is easier because they cost less owing to abolition of social contributions and consumption tax (only on services).

2 - Psychological consequences

1° **To banish the feeling of marginalisation:** because the unemployed will be seen not as someone excluded from the workplace, but as one who **has chosen** not to work.

2° **To banish the humiliation** connected with controls, since the Basic Income is unconditional.

3° **To support creativity:** without risk of destitution an individual will more easily be able to start a new business or devote himself to the arts.

3 - Social consequences

1° **To offer a true right to work**

The Basic Income, by ensuring a modicum of security, gives the individual the possibility to work or to employ himself, to wait until he finds a rewarding job or to train himself for such, to change jobs if one proves unsuitable.

2° To reduce unemployment

Those who seek work are often, in reality, seekers of income. The Basic Income will remove this surplus from the roll of the unemployed.

3° To diminish the job deficit

Abolition of charges on the payroll will effectively lead to a surge of job offers from firms. There are plenty of jobs around : it's the money to remunerate them (dearly) that's lacking.

4° To develop non-material wealth

"The human being who lives in security, who has enough to drink and eat, who can allow himself even to buy some luxuries, develops non-material needs.

"Apart from the need for social recognition, which is a fundamental human need, these secure people begin to attach more and more importance to the quality of life, to what they can accomplish in their lives, to their family relationships, to their friendships.

"These other values can not be quantified in money terms; and they are not necessarily reflected in the Gross Domestic Product. Yet the automation of production is now so far advanced that material goods are losing their value relative to non-material benefits.

"One consequence of this evolution is that more and more people accept badly the constraints of the present system - hence depressions and psychosomatic illnesses.

"The Western world needs a new way of functioning which will allow the personality to bloom. This way must be such that people can change their jobs without fear and without constraint, that their pension is independent of their career, that they are always entitled to health care - even if they leave their jobs." (R.Duchâtelet)

VIII - Replies to the principal arguments against Basic Income

1- A Basic Income will discourage people from working

(N.B. This discussion is taken from a lecture given by Yoland BRESSON at the VIVANT Congress in Liège on 5 Jan 2002.)

"One objection often heard when an Existence Income is discussed is the following: if everyone receives an income nobody will work any more and ruin will follow - bankruptcy. This calls for the following remarks:

*"1° Existence Income is calculated in accordance with global income. It is therefore regulated. If it acted as a disincentive to work, the national income would go down, and the Existence Income would too, which would act as an incentive to work. Existence Income is **not the enemy of work, it is the friend of choice since it subsidises employment.***

*"2° What acts as a real disincentive to work is the (present) narrowness of the gap between the relative situations of those who work and of those who don't work. Existence Income does not act in this way since everyone continues to enjoy the fruits of his labours, **in addition to receiving Existence Income.** The latter removes the present penalty of loss of allowances (unemployment benefit and other guaranteed minimum income benefits), which is imposed on those who work, and could therefore strongly stimulate growth..*

“3° The calculations show that even in the economically most developed countries, Existence Income would be at a level at least ten times lower than what talented people can gain from their work. Wherefore it is not to be much feared that such persons will long choose to leave their talent fallow and content themselves with the Existence Income. **Existence Income does not enable one to satisfy all one’s needs: it must be supplemented. It is not an income for existing on, but BECAUSE ONE EXISTS.**

“4° The economy has been functioning on an implicit postulate: the more one works, the more one’s needs are satisfied. This was true when there were enough jobs and one worker could quite easily substitute for another. But at present, when production requires fewer and fewer workers who can be substituted for, but more and more of talent, it is no longer true. **Today, the more one frees up talent, the more one’s needs are satisfied.** To free up talent presupposes that hindrances to the spirit of enterprise be abolished.”

2 - Basic Income favours profiteers

Profiteers are above all happy when they can indulge in fraud. The feeling of doing something forbidden is very exciting. But with the Basic Income nothing is forbidden: one chooses to work or not to work.

And since at the same time one is restoring to honour some somewhat neglected values, such as attention to and help for others, and that therein lies a veritable mine of happiness, it would be surprising if at least some “profiteers” in the monetary sense did not succumb to the charms of “living in society”, that is called **social capital**.

Can one in fact still label as a “profiteer” someone who devotes time to his family, to his aged parents, to helping in school or visiting the needy, to studying? All these unpaid activities are very useful to society. They appeal to what is most noble in man: empathy, compassion, responsibility, thirst for learning and inventing. They are “unpayable” in every sense of the term, yet they need a secure space if they are to be undertaken. The Basic Income provides this secure space: it is the gift of everyone to everyone.

IX - History and progress of the idea of a Basic Income

1795 Thomas PAYNE publishes “Agrarian Justice” and proclaims the right for everyone to participate in wealth.

Bertrand RUSSELL takes up the idea in “Proposed Roads to Freedom”.

1984 In France, **Yoland BRESSON** and **Henri GUITTON** found the A.I.R.E. - Association pour l’Instauration d’un Revenu de Base (Association for the Introduction of Basic Income). The idea cuts across all political tendencies, on the right as on the left. No economist now contests its feasibility compatible with the market economy.

1985 In Belgium, professor **Philippe VAN PARYS** founds the B.I.E.N. (Basic Income European Network). Every 2 years B.I.E.N. holds a Congress, where it appears that those

who are most against the Basic Income are the politicians and functionaries who run the present systems.

1960 In the State of New Jersey, U.S.A., an experiment is made with negative income tax; it had a certain success on the level of economic dynamics but the complexity of the regulations led to it being abandoned. Milton FRIEDMAN, a liberal economist, proposes to put all citizens at the start on the same level and then to leave it to the market to distinguish between them according to the dynamism and talent of each.

1998 In Alaska the Basic Income is introduced.

1999 In Ireland it has been discussed for 25 years. The latest, very detailed, studies, commissioned by the Government, show that an untaxed Basic Income for everyone could be introduced without having recourse to a high level of taxation.

2002 In Brazil, by the end of 2002, nearly all municipalities, with the support of the Federal Government, put a programme of minimum guaranteed income in place.

2005 And, on the basis of a proposal made by Senator Eduardo SUPPLICY in 2001, a Citizen's Income payable to all Brazilians and foreigners of at least 5 years' residence will be instituted in 2005. Brazil is a country of great inequality, and if they go for it other Latin American countries will surely follow, such as Argentina and Colombia.

Conclusion

This philosophical and economic argument may have appeared a bit long. But it is necessary to dig out the roots of the absurd and deadly system that at present governs humanity.

Only when one has understood a process can one take steps to arrest it. **Understanding is here the keyword** for all responsible citizens - responsible because they know they stand in solidarity with all mankind.

Basic Income is part of a change in universal understanding. Its new economic model is a radical transformation.

Yet what is proposed is simple, transparent; *“but how simplicity can seem subversive!”* says Yoland BRESSON, one of the most committed proponents.

“If we do not succeed in introducing Basic Income as a corrective within the labour market and the distribution of the fruits of progress the world will drift into deep crisis. The poor countries, too poor to export, will fail to develop their internal markets. Rich countries and their pension funds will fail to finance their pensions. There will be some marvellous products for sale, but, if the population has no money to buy them with, sales will sink, followed by companies' profits and share values. To what kind of despairing world of violence are we heading?”

“Why, then, are so many politicians and economists prisoners of their dogmas and prejudices?”

And Roland Duchâtelet, founder and President of VIVANT

He adds that “profound changes are like difficult maternity deliveries because those who benefit from the existing system are not strongly motivated and those who will benefit from the new system are not motivated either because they have not yet benefited from it.”

It is up to us, **to each** of us, to go out and convince people. Here are four slogans to help us, easy to remember:

- a **profit-based** economy profits some; a **needs-based** economy profits all
- Basic Income is not given **to** exist on, but **because** one exists
- a tax that lends itself to fraud is an **unjust tax**
- to tax work is absurd; to tax consumption is **just and realistic**.

A world of justice and freedom is possible: let us go out with **the good news!**

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(1) B.JARROSSON and M.ZARKA, “From the defeat of work to the conquest of choice” . Publ. DUNOD, 1997.

“Massive unemployment is probably irreversible and costly redistribution systems with perverse effects constitute an impasse.

*As a way out, the authors propose to push to the limit the logic of dissociating work and income, and to distribute to each citizen, from birth to death, an individual and unconditional allowance: an Existence Income. This would have the merit of restoring to the individual space for initiative, heralding a society of choice. The authors break with narrow thinking and invite us to a remarkable exercise of lucidity. **This stimulating reflexion on the economy shows that the logic of solidarity and the logic of efficiency can find common ground** by proposing creative solutions to our social divisions.”* (Extract from the book cover)

(2) Professor Yoland BRESSON

In addition to his economic training at the University of Saint-Maur in Paris XII, Yoland BRESSON is dean and co-founder of B.I.E.N. - the Basic Income European Network - and of A.I.R.E. - the Association for the Introduction of Existence Income. He is the author of a dozen books, of scientific publications and articles in renowned reviews and journals on the subjects of **the “end of the salary-earning class”, changes in our economy and Basic Income as the cornerstone of a “new social model”**.

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