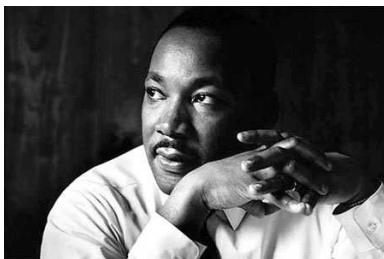


Famous Protagonists about the level of Unconditional Basic Income and about the dangers of Partial Basic Income



Altiero Spinelli (31 August 1907 – 23 May 1986), the co-author of "Manifesto of Ventotene", was an Italian political theorist and a European federalist. By the time of his death, he had been a Member of the European Commission for six years, a Member of the European Parliament (independent candidate on the list of the Italian Communist Party) for ten years right



Martin Luther King, Jr. (15 January 1929 – 4 April 1968) was an American pastor, activist, humanitarian, and leader in the African-American Civil Rights Movement. He is best known for his role in the advancement of civil rights using nonviolent civil disobedience based on his Christian beliefs.

"Where do we go from here: Chaos or community?", Harper & Row, New York 1967

up until his death. The main building of the European Parliament in Brussels is named after him. The 1987–1988 academic year at the College of Europe was named in his honour.

"Manifesto of Ventotene" ("For a Free and United Europe. A Draft Manifesto", 1941)

"Human solidarity towards those who succumb in the economic battle ought not, therefore, be shown with the same humiliating forms of charity that produce the very same evils they vainly attempt to remedy: rather it ought to take a series of measures which unconditionally guarantee a decent standard of living for everyone [...]. In this situation, no one would any longer be forced by misery to accept unfair work contracts."

"Two conditions are indispensable if we are to ensure that the guaranteed income operates as a consistently progressive measure. First, it must be pegged to the median income of society, not at the lowest levels of income. To guarantee an income at the floor would simply perpetuate welfare standards and freeze into the society poverty conditions. Second, the guaranteed income must be dynamic; it must automatically increase as the total social income grows. Where it permitted to remain static under growth conditions, the recipients would suffer a relative decline. If periodic reviews disclose that the whole national income has risen, then the guaranteed income would have to be adjusted upward by the same percentage. Without these safeguards a creeping retrogression would occur, nullifying the gains of security and stability."



André Gorz (9 February 1923, Vienna – 22 September 2007, Vosnon, France), born **Gerhart Hirsch**, was an Austrian and French social philosopher, also a journalist. He was a main theorist in the New Left movement. His central theme was wage labour issues such as liberation from work, the just distribution of work, social alienation, and a unconditional basic income.

"Métamorphoses du travail. Quête du sens. Critique de la raison économique", Paris 1988 ("Kritik der ökonomischen Vernunft. Sinnfragen am Ende der Arbeitsgesellschaft", Hamburg 1994)



Michael Opielka/Heidrun Stalb: "Das garantierte Grundeinkommen ist unabdingbar, aber es genügt nicht", in: Michael Opielka/Georg Vobruba, (Hrsg.): Das garantierte Grundeinkommen. Entwicklung und Perspektiven einer Forderung, Frankfurt/Main 1986, S. 73-97.

"In its neo-liberal variant [...] the guaranteed minimum income is supposed to be equal to the minimum living wage – or below it. The result of this would be that persons paid this are practically forced to find additional income from 'casual jobs' to top up their minimum income."

"Misères du present. Richesse du possible", Paris 1997 ("Arbeit zwischen Misere und Utopie", Frankfurt/Main 2000)

"The guarantee of a basic income below the subsistence minimum has the function to force the unemployed people to accept dirty, low-status jobs on the cheap. This corresponds to the neo-liberal position of the advocates of Milton Friedman."

"L'immatériel. Connaissance, valeur et capital", Paris 2003 ("Wissen, Wert und Kapital. Zur Kritik der Wissensökonomie", Zürich 2004)

"Inadequate minimum income guarantees are a subsidy to the employer: they enable him to pay his employees less than the living wage for the work they do."

Michael Opielka – German social scientist, life member of BIEN/ Heidrun Stalb: "The guaranteed basic income is an essential, but ist not enough", in: Michael Opielka/ Georg Vobruba (ed.): The guaranteed income. Development and Prospects of a claim, Frankfurt/Main 1986, p. 73-97.)

"A basic income must be sufficient, so that poverty is eliminated and participation at the socio-cultural life is guaranteed. A low basic income would actually mean forced labour."

"To guarantee a life in dignity, material security and full participation in society"

Unconditional Basic Income: an effective means of tackling (hidden) poverty and promoting freedom for all and democracy

by Ronald Blaschke, Germany,

Brussels, 10 April 2014

My presentation consists of three chapters plus a conclusion and thoughts on the way forward:

Chapter 1 defines the terms minimum income, unconditional basic income, partial basic income, poverty and hidden poverty.

Chapter 2 seeks to answer the questions of whether an unconditional basic income is an effective means of tackling poverty and hidden poverty, and whether an unconditional basic income promotes freedom for all and democracy.

Chapter 3 seeks to answer the questions of whether a partial basic income is an effective means of tackling poverty and hidden poverty, and whether a partial basic income promotes freedom for all and democracy.

My presentation ends with a **conclusion** and **thoughts** on how an unconditional basic income for all might gradually be introduced.

Preliminary note: I am speaking about situation in Europe, not about the situation in countries of the Global South.

Chapter 1 Terms and definitions

Minimum incomes are incomes that are funded for the most part by the community out of tax revenue and are designed to safeguard people against poverty and social exclusion. **Minimum wages** are the lowest level of earned income for persons in employment.

There are two forms of minimum income: basic or minimum security provisions (also known as basic allowances, social assistance, welfare benefits) and the unconditional basic income.

1. Basic or minimum security provisions

- Firstly, these are means-tested (the social security authorities check the person's income and assets). There is thus a presumption of poverty (hardship).

- Secondly, this means-testing is usually applied to the income and assets of the family, household members and partners. There is thus a presumption of economic dependency within the family, within the household and between partners.

- Thirdly, basic or minimum security provisions are usually conditional upon numerous other requirements and constraints: For example, in the case of those able to work, mandatory acceptance of a job or service to which they are assigned and/or proof that they are actively seeking employment and/or regular reporting in to the appropriate national or local authorities.

If persons suffering hardship do not comply with these requirements and constraints, basic or minimum security provisions may be withheld by the competent authorities either wholly or in part. Such action constitutes a breach of the human and basic right to social security.

Moreover: the requirement to "accept work or service" places basic or minimum security provisions in breach of human rights and international law, as Article 8 of the International Covenant on Civil and Political Rights prohibits forced labour. It says:

"No one shall be required to perform forced or compulsory labour."¹ The International Labour Organization, in its 1930 Forced Labour Convention (No. 29),² defines forced labour as follows (Article 2): "forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily." The threat of withholding social benefits in whole or in part, if an allocated job or service is not accepted, is a "menace of penalty".

- Fourthly, basic or minimum security provisions are not usually generous enough to prevent poverty and guarantee material security and participation in society. They thus force persons suffering hardship to take a job in order to survive and be assured of a place in society.

2. Unconditional basic income

- Firstly, there is no means-testing of the individual, or of the family, the household or any partner.

- Secondly, there is no pressure from the authorities to accept a job, no requirement of service in return, no obligation to report etc.

- Thirdly, everyone is guaranteed the unconditional basic income individually, so it is unconditional also in the sense that it is independent of family or relationship status, but independent too of a person's nationality or country of origin, etc.

- Fourthly, with the unconditional basic income there is no economic pressure to engage in paid employment because it is generous enough to provide an unconditional guarantee of material security and participation in society.

3. Partial basic incomes are cash transfers which do not meet one important criterion of the unconditional basic income. They do not eradicate poverty. Partial basic incomes do not guarantee material security and participation in society for the

¹ <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CCPR.aspx>

²

http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_ILO_CODE:C029

individual because they are not generous enough. We shall see shortly that they do not eradicate hidden poverty either.

4. The term poverty here means income poverty. In the countries of Europe and in the world generally, financial income is a very important (though not the only) prerequisite of guaranteed material security and participation in society. Guaranteed material security is understood to mean, for example, the assurance of adequate and healthy nutrition, health care, decent housing and proper clothing. Participation in society is understood to mean, for example, access to education, knowledge, culture and political and civil opportunities to shape society, but also the ability to enjoy fulfilling social and interpersonal relationships.

For the European Union, one major indicator of poverty is relative income poverty. Relative here means relative to the income of others in the same country. The reason for this is that people measure their incomes and ability to earn enough to guarantee their material security and participation in society primarily against those of people in their own country. The level below which someone in a country is likely to suffer poverty is known as the “poverty risk threshold”.

The European Parliament has stated in a number of resolutions that the poverty risk threshold is 60 per cent of median equivalised net income. People whose net income – regardless of its source – is below the poverty risk threshold for a given country are deemed to be at risk of poverty in that country. Their livelihoods and participation in society are not guaranteed. Net income means that this income does not include the cost of health care insurance or old-age pension insurance. Persons on a minimum income without any additional earnings need help from the community to top up their income.

Eurostat gives current net poverty risk thresholds for the various European countries on its website.³ In income year 2011 (not the same as the survey year in Eurostat’s table – the survey year is a year later), the threshold in Germany for a single person

³ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li01&lang=en. The dataset "European Union Statistics on Income and Living Conditions (SILC)", used to calculate poverty risk threshold, is criticised for not following recognised poverty research standards and thus producing a poverty risk threshold that is too low.

was EUR 980 net per month. Bearing in mind that the poverty risk threshold rises every year, the figure for this year would be approximately EUR 1 030 net per month. For France the poverty risk threshold in 2014 is approximately EUR 1 080 net per month, in Belgium EUR 1 060, in Austria EUR 1 180, but – for example – in Poland only EUR 300, in Bulgaria EUR 150, in Romania EUR 120.

For the Member States of the European Union the European Parliament, voting by an overwhelming majority, set levels for minimum income, and for possible basic income too: Its resolution of 20 October 2010 on the Role of minimum income in combating poverty and promoting an inclusive society in Europe (adopted by 437 votes to 162, with 33 abstentions)⁴ reads as follows (point 15): "The European Parliament takes the view that adequate minimum income schemes must set minimum incomes at a level equivalent to at least 60% of median income in the Member State concerned."

In other words: a minimum income, whether it is a basic or minimum security provision or a basic income, must not be lower than the poverty risk threshold, otherwise it will do nothing to combat poverty and will not guarantee material security and participation in society. So the European Citizens' Initiative for Basic Income rightly defines unconditional basic income as a transfer "which meets society's social and cultural standards in the country concerned. It should prevent material poverty and provide the opportunity to participate in society. This means that the net income should, at a minimum, be at the poverty-risk level according to EU standards, which corresponds to 60 per cent of the so-called national median net equivalent income."

One peculiarity should be noted: if the median income level in a country is low, a poverty risk threshold derived from this is not adequate as a basis for setting the level of a cash transfer that truly guarantees material security and participation in society. The European Parliament is thus quite properly debating a revision of what the adequate level should be based on a "basket of basic goods and services at national level."⁵ This view of the European Parliament was also adopted by the European

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<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2010-375>.

⁵ "Report on the European Platform against poverty and social exclusion", 24 October 2011; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A7-2011-0370+0+DOC+XML+V0//EN>. The report says: "The poverty threshold of 60% of median national

Citizens' Initiative for an Unconditional Basic Income. The European Citizens' Initiative for an Unconditional Basic Income says: "Especially in countries where the majority have low incomes, and therefore median income is low, an alternative benchmark (e.g. a basket of goods) should be used to determine the amount of the basic income, to guarantee a life in dignity, material security and full participation in society." Alternative calculation methods using a basket of goods and services should certainly be used in many north and south eastern European countries (for example in Poland, Romania, Bulgaria, Croatia, Slovakia, Lithuania, Latvia) and some in southern Europe (for example in Portugal and Greece).

The European Parliament's resolution on minimum incomes further states, in point 44: "The European Parliament [...] calls on the Commission and the EU Member States to examine how different models of unconditional and poverty-precluding basic incomes for all could contribute to social, cultural and political inclusion, taking especially into account their non-stigmatising character and their ability to prevent cases of concealed poverty."

A note in passing: these passages along with other progressive wording in the European Parliament resolution are there thanks in particular to tough, but also energy-intensive and time-consuming lobbying during 2010 by the Basic Income Network in Austria and Germany and these two countries' Attac groups on basic income. The European Parliament resolutions provided significant justification for the European Citizens' Initiative for a Basic Income.

Back now to the text of the European Parliament's resolution on minimum incomes: What does it mean, that a poverty-precluding, that is to say unconditional basic income is non-stigmatising and able to prevent cases of concealed poverty? It means by implication that neither the minimum or basic security provisions, because of the conditions attached to it, nor the partial basic income, because it is not generous enough and has consequences, can effectively combat hidden poverty (cf. Chapter 3).

income is a compelling, helpful and necessary indicator of relative poverty, but should be complemented by other indicators such as the concept and calculation of a 'basket of basic goods and services' at national level" (see letter R).

5. What is "concealed" or "hidden" poverty ?

It is the specialist term for the fact that conditional social cash transfers are stigmatising and discriminatory, so that people do not claim these benefits and thereby exclude themselves from receiving them – for example because they are ashamed to be seen as poor, because the requirements and constraints that apply to the take-up of benefits frighten people off, or because the bureaucratic obstacles to claiming benefits are too great. In Germany this is true of about half of all those who would be eligible for supplementary benefits in the form of basic or minimum security provisions. It should be noted that every person who does not receive the welfare benefits to which he is entitled is in fact the victim of a breach of human and basic rights, precisely because he is not getting the welfare benefits he is entitled to receive in order to guarantee his material security and participation in society. Transfer systems in the form of conditional basic or minimum security provisions or in the form of partial basic incomes are responsible for breaches of human and basic rights on a massive scale (cf. Chapter 3).

Chapter 2 Unconditional basic income: an effective means of tackling (hidden) poverty and promoting freedom for all and democracy

An unconditional basic income gives everyone the assurance of material security and participation in society – if it is topped up to provide adequate health care (where the person concerned has no other source of income) or if in this case health care is available free of charge. This will consistently eradicate income poverty and its consequences.⁶

An unconditional basic income, of which everyone is assured with no conditions attached, will consistently eradicate hidden poverty. It gets rid of the stigmas and discrimination associated with conditional social cash transfers.

⁶ Martin Luther King held that a basic income has to eradicate poverty "[...] if we are to ensure that the guaranteed income operates as a consistently progressive measure." (King 1968: 164) So "it must be pegged to the median income of society, not the lowest levels of income. To guarantee an income at the floor would simply perpetuate welfare standards and freeze into the society poverty conditions." (Ibid.)

Because the unconditional basic income is given to everyone, with no conditions attached and at an adequate level, it also consistently combats forced labour, which is a breach of human rights and international law. It thus gives everyone the freedom to choose what work they do. It also gives people the power, democratically and without economic coercion, to play their part in economic and social life and in shaping good living and working conditions.

Because the unconditional basic income is guaranteed individually and at a sufficiently generous level, it enables everyone to live free of economic dependency or coercion by others, both in the world of work and in their personal lives - in family relationships and partnerships.

An adequate unconditional basic income is part of a strategy for social change – to achieve greater freedom for all and more democracy.

There are those who argue that an unconditional basic income is unaffordable. But illustrative calculations for Austria and Germany show that a redistribution of wealth from richest to poorest makes unconditional basic incomes possible, provided there is the political will to do it. In Germany, for example, it would be perfectly possible to have an unconditional basic income of EUR 1 080 (i.e. higher than the poverty risk threshold) *and* to expand the public infrastructure and system of social services. This would bring the public spending ratio to a level no higher than that currently seen in the Scandinavian countries, for example - around 56 per cent. The debate on whether the unconditional basic income is affordable frequently overlooks the fact that the exorbitantly and undeservedly high incomes and assets of many rich people and those who have profited from the economic crisis can be used to finance the unconditional basic income. Also, for example, the fact of having an unconditional basic income will save the cost of many existing basic or minimum security provisions that are financed out of tax revenue.

Chapter 3 Why the partial basic income does not eradicate income poverty and hidden poverty and does not promote true freedom for all and democracy adequately or indeed at all

The first: The partial basic income does not provide the individual with a guarantee of basic material security and participation in society. It does not eradicate income poverty because it is too low.

The second: Because the partial income is too low, the individual is forced to accept a paid job, even one he or she has not freely chosen and which is perhaps badly paid,⁷ in order to secure his or her livelihood and participation in society. So the partial basic income does not unconditionally guarantee material security and participation in society and does not secure the free rejection or choice of work.

The third: If the partial basic income is supplemented by other conditional social cash transfers (basic or minimum security provisions) it does not unconditionally guarantee material security and participation in society. Because in the absence of an income source other than the partial basic income, the individual is obliged to apply to the authorities for basic or minimum security provisions, to increase the partial basic income with them and to achieve an adequate transfer. Stigmatisation and discrimination thus remain a fact of life for many people. Hidden poverty, a breach of human and basic rights, likewise remains a fact of life for many people. Hidden poverty is not eradicated.

In addition, if the partial basic income is combined with existing basic or minimum security provisions, the existing conditional cash transfer will be reduced accordingly the amount of the partial basic income. Because the basic or minimum provision are means-tested, that is, any other income reduces this conditional cash transfer.

The income situation of the poor would not be changed.

⁷ "Inadequate minimum income guarantees are a subsidy to the employer: they enable him to pay his employees less than the living wage for the work they do." (Gorz 2004, 81) So André Gorz wrote: "The guarantee of a basic income below the subsistence minimum has functions to force the unemployed to accept dirty, low-status jobs on the cheap." (Gorz 2000, 113) "In its neo-liberal variant [...] the guaranteed minimum income is supposed to be equal to the minimum living wage – or below it. The result of this would be that persons paid this are practically forced to find additional income from 'casual jobs' to top up their minimum income." (Gorz 1994, 335)

Conclusion: Because the partial basic income is too low, people continue to be vulnerable to coercion in the world of work, in society and in their personal lives and relationships with their partners. The people remain dependent on existing social bureaucracies. The partial basic income does little or nothing for freedom for all and for developing democracy.

There are those who argue that the introduction of a partial basic income might lead to an unconditional basic income later. But from existing partial basic incomes there is no empiric evidence that this hope is a realistic one. And there is no logical evidence for this hope.

In addition: It is not impossible that the introduction of a partial basic income might, with a certain balance of political power, be used to reduce or even abolish pre-existing higher welfare benefits and social minimum standards. That is the openly stated political aim of neo-liberal advocates of a partial basic income in the tradition of Milton Friedman. This exists worldwide, in Europe and in Germany too.

Why a partial basic income goes well with neoliberal intentions?

It urges back governmental and bureaucratic influence, because there is no social-administrative means test and no coercion to labour by the welfare offices, but it retains or strengthens the economic pressure of market on people, for example to sale their labor power, because it is too low (commodification).

The possible negative consequences I have described, along with the lack of positive consequences of a partial basic income outlined above, also have the effect of frightening off many potential allies.

Conclusion and thoughts on the way forward

An unconditional basic income eradicates income poverty and hidden poverty, which are a breach of human and basic rights. An unconditional basic income eradicates forced labour, which is a breach of human rights and international law.

An unconditional basic income promotes freedom for all and democracy.

Basic or minimum security provisions and partial basic incomes do not eradicate hidden poverty. Basic or minimum security provisions and partial basic incomes do not in themselves eradicate income poverty. All they can do – depending on how they are structured – is relieve poverty. They force people to take jobs for economic reasons, even if the working conditions associated with those jobs are bad. Partial basic incomes also force people to apply for additional social transfers which are discriminatory and stigmatising. They do not give individuals a guarantee of material security and participation in society. They can be misused as a way of cutting levels of social protection and when this happens they are rejected and opposed by potential allies in the basic income movement.

A better way of eradicate poverty and for gradually achieving the objective of a universal basic income in Europe would be through Europe-wide action to

- introduce a basic income for all children and young people which is adequate in the context of each country;

- abolish forced labour in the case of existing basic or minimum security provisions and individualise these benefits, increasing them immediately to the level of the poverty risk threshold for the country concerned or of values based on a basket of goods;

- introduce non-means-tested transfers for employees taking a break from work (basic income for sabbatical) which are adequate in the context of each country;

- introduce a basic pension for all older people that is adequate in the context of each country.

All these are steps, pertinent to different life-time stages, towards a unconditional basic income for all. They are broadly supported by the general public and enable social alliances with social movements, trade unions, welfare associations, churches and political parties. These steps help to increase the acceptance of an unconditional basic income within society. A merging of these transfers and a further

reduction of conditions are leading to an unconditional basic income for all people in the country.

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