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**BASIC INCOME:
A GREEN STRATEGY FOR THE NEW EUROPE***

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Poverty, emancipation, unemployment

I am strongly in favour of the introduction - at European level, as soon as possible and at as high a level as possible - of what is now generally called a *basic income*, i.e. an income granted to every citizen or permanent resident on an unconditional basis. To obtain such an income, it is not necessary to have worked or contributed previously, or to be registered as unemployed. And everyone (of the same age) shall be entitled to the same amount, regardless of the level of income received from other sources and whether the recipient lives alone or is cohabiting.¹

My reasons for favouring this approach have mainly to do with the need to eradicate *poverty*, to promote *emancipation* in general and the emancipation of women in particular and to combat unemployment. The first two points I shall consider only very briefly; my main aim here is rather to explain the fundamental issues at stake in the choice we must make between a basic income and other possible measures to combat unemployment.

* This chapter draws on the author's contribution to the hearing on "The guaranteed basic income and the future of social security" held at the European Parliament's at the initiative of its Green-Alternative group (Brussels, November 1986) and on his address to the Third European Green Congress (Stockholm, August 1987). An earlier French version has been published in *L'Europe en Formation*_(Nice) 275, été-automne 1989, 47-57.

¹ The European literature on basic income has grown very quickly in the last few years. Tony Walter's *Basic Income. Freedom from poverty, freedom to work* (London: Marion Boyars, 1989) provides an excellent general introduction. The Newsletter of the Basic Income European Network (c/o Walter Van Trier, BIEN's secretary, 21 Bosduifstraat, 2018 Antwerpen, Belgium), published three times a year, contains announcements of, and reports on, many relevant events, as well as short reviews of all types of relevant publications (from pamphlets to working papers) in several European languages.

It would be ludicrous to maintain that *poverty* is simply a question of monetary income. Yet it is even more ludicrous to claim that poverty can be overcome without some form of guaranteed minimum income. If I am firmly in favour of the totally unconditional form of guaranteed minimum income represented by a basic income, it is because any form of conditional guaranteed income presents in a high degree one at least of the following three drawbacks (and often all three at once): (1) Because of the intrusions into an individual's private life which it legitimizes and the social stigma that attaches to it, conditional assistance is humiliating for those receiving it. (2) Since conditional assistance is restricted to those in need of it, it is withdrawn as soon as anyone starts to manage on her/his own and therefore has the effect of catching recipients in the unemployment trap. (3) Such assistance allows many of the most deprived to slip through the safety net which it claims to provide, because ignorance or intimidation prevents them from claiming their entitlement. A basic income, on the other hand, would give rise to no humiliation, it would eliminate the unemployment trap and tighten as far as possible the mesh of the net. Moreover, at any given level of minimum income it would be more expensive than conditional forms of benefit only if the "cost" were naively measured by the volume of financial flows which to be handled by the State. If instead the cost were measured by the real resources (in working time, in paperwork, etc.) which a community needs to devote to managing its transfer system, the opposite would be the case.

Emancipation is not a pure question of income either. But it is not possible without a minimum of financial autonomy. The problem is how we can ensure that every person - and particularly those millions of women in Europe who have no income of their own and live in total economic dependence on their spouse - will enjoy that autonomy, while avoiding both of the following pitfalls: *either* urging women to retreat into the home, which traps them in the family cell; *or* obliging all women to take up work outside the home, which is tantamount to forced labour. In order to achieve financial autonomy for every individual, male and female, and avoid the first pitfall, one might consider implementing what in Eastern Europe used to be known as the 'anti-parasite' law: making gainful employment both a legal obligation and a legal right of every

citizen, to be supplied by the public authorities if the private sector fails to provide it. This avoids the first pitfall, but clearly not the second. To ensure financial autonomy without recourse to forced labour, one solution would be what is sometimes called a 'housewife's wage'. This avoids the second pitfall, but evidently not the first; such a payment would not be dissimilar in principle to the repatriation allowance which some wish to see paid to migrant workers, nappies and pots and pans here being the equivalent of the country of origin. To achieve financial autonomy for everyone and steer a course between both pitfalls is not, however, impossible. *That is precisely what is achieved by a basic income.*

The end of full employment ?

Those who advocate a basic income as a way of reducing unemployment or promoting emancipation were as justified in their views two decades ago as they are now. However, a further reason has been apparent for some years now; and it is the logic of this reason which explains why the idea of a basic income has suddenly aroused such renewed interest.

For nearly two decades most West European countries have been experiencing a situation of massive unemployment. Millions of Europeans are vainly seeking work. There are not enough jobs to go round which are both *economically* viable (their cost does not exceed what demand is able to pay) and *socially adequate* (the earnings from them are not less than the minimum necessary to meet the needs of a household). The way to put an end to this massive unemployment which initially seemed to be the most obvious was to seek *to speed up the rate of growth*. But in view of the speed with which technical progress was eliminating jobs, it rapidly became apparent that a fantastic rate of growth would be necessary even to keep employment stable, let alone to reduce the number of unemployed - a rate of growth, indeed, which even if it were possible, would hardly be desirable. Alternatively, one might then want to consider a substantial *reduction in workers' earnings*, the idea being that by reducing the relative cost of labour, technology could be redirected in such a way that fewer jobs were sacrificed. Even a relatively modest

growth rate would then be able to stabilize and, gradually, reduce present levels of unemployment. However, such a policy would not only hamper productivity growth and run the risk of upsetting demand stability. Above all, it would impose an unacceptable standard of living on a large part of the population - all the more so in that a reduction in wages would involve a parallel reduction in unemployment benefit and other replacement incomes, so as to preserve work incentives.

If we cannot or will not rely on either an acceleration in growth or a reduction in earnings, do we then have no option in future but to regard full employment as an impossible target ? We are, indeed, condemned to this view if by full employment we mean a situation in which virtually everyone who wants a *full-time* job can obtain one which is both economically viable (*without any subsidy*) and socially adequate (*without any additional allowance*). But we are not if we are willing to redefine full employment by leaving out one, at least, of the three conditions underlined in the foregoing sentence. For each of those conditions there is possible strategy for reducing unemployment which involves neither an increase in the rate of growth nor a reduction in the level of earnings.

The three dilemmas of working time reduction

The first is the social redefinition of 'full time', i.e. *a reduction in maximum working time* whether by a reduction in the maximum number of years worked (extension of compulsory school attendance, lowering of the retirement age, sabbatical years, etc.) or by a reduction in the maximum number of hours worked per year (longer holidays, the 30-hour week, etc.). Since there are not enough jobs for everyone who would like one, let us not allow a small number people to appropriate them: they must be rationed. If this strategy is to be seriously considered as a way of solving the unemployment problem, the reduction must be both dramatic in its extent (unemployment in Europe is still running at about 10 %) and neutral in its effects on wages (otherwise the dynamic impact is likely to cancel out the direct impact of job-sharing). Working time must therefore be reduced by some 10 % on average with a corresponding (average) reduction in gross earnings levels.

However, such a strategy at once comes up against three unavoidable dilemmas. Firstly, *either* the across-the-board percentage reduction in gross earnings is not differentiated according to pay levels (*hourly* wage levels are simply retained unchanged), in which case the lowest wages will fall below the social minimum; *or* a greater reduction in the highest gross earnings is introduced, thus protecting those with the lowest incomes and maintaining the overall wage bill at the present level, in which case the relative cost of the least skilled jobs increases considerably, stepping up the pressure for their elimination through mechanization. In other words, a dramatic and financially neutral reduction in working time is necessarily detrimental to the least qualified jobs - either because it kills the supply (they pay less than replacement incomes) or because it kills the demand (they cost firms a lot more per hour than they used to).

That is not all. As everyone knows, unemployment is very unevenly distributed, both according to regions and to skills. This generates a second dilemma: *either* the reduction in working time is undifferentiated across the board, which would lead to massive inefficiencies (bottlenecks for certain skilled jobs and in certain regions, high cost of retraining in new skills, and of moving either the workforce or the means of production); *or* it is so devised as to affect the various categories of workers only in so far as there are job seekers with the required skills, which ensures that the system is not plagued with the inefficiencies just mentioned but imposes unacceptable inequalities - surgeons and executives, for example, being allowed to continue to work sixty hours a week, whereas primary school teachers and tailoresses might not be allowed to work more than ten.

Finally, when we think of reductions in working time, we are mainly thinking of salary and wage-earners. But what of the self-employed ? Here again, a hard choice has to be made: *either* they are to be treated in the same way as employees and their work shared, which would entail intractable problems in enforcement (an inspector would have to be able to check exactly how many hours a butcher puts in her/his own backyard) without any guarantee that the extra efforts exerted would lead to any

increase in recruitment except in the labour inspectorate; *or* no reduction is imposed on the working hours of the self-employed, in which case the enforced reduction in salaried employees' hours would mostly serve to increase the numbers of 'falsely self-employed', i.e. employees artificially detached from the salaried staff of a firm so as to allow them to work 'for themselves' for as many hours as they want. It would, furthermore, constitute a flagrant injustice, victimizing those who have no option but to be and remain salaried employees.

Subsidize the employer or liberate the employee ?

Awareness of these dilemmas helps us to understand why the campaign to reduce working time, even in those countries in which the Trade Union movement has been sympathetic, is moving at a pace which is insufficient even to make up for the new rationalizations. This forces us to take another possibility into account. While it is not possible to provide everyone seeking employment with a job which is sufficiently productive, without external intervention, to be both economically viable and socially adequate, it is, however, possible to use those activities which are sufficiently productive to 'subsidize' others, rather than (vainly) trying to share out "productive" jobs amongst all.

Two options, widely different in their consequences, are available. One consists, in its pure form, of *flat-rate employment subsidies*: a sum of money approximately sufficient to cover the basic needs of workers and their families is paid to the employer in accordance with the number of persons (s)he employs. The other option, in its purest form, is the introduction of a *basic income*: a similar sum is paid directly to every citizen (or permanent resident), and hence to every actual or potential worker, male and female, without any conditions being imposed.²

In many ways a general flat-rate subsidy and a universal basic income are similar. In particular, they both address head on the first

² An intermediate option would consist in paying the allowance directly to each (actual or potential) worker, but only on condition that (s)he actually works or makes her/himself available for suitable full-time work .

dilemma mentioned in connection with working time reduction: the least skilled can be employed at a lower cost to their employer, without this needing to take them below the "social minimum", because of the wedge between labour cost and standard of living generated by the subsidy or the grant. There is, however, one fundamental difference between the two approaches. In the first, the pressure to take up employment is kept intact, in the second it is removed. As a result, less productive jobs made viable by the first approach are likely to be just as unattractive as those which existed previously, whereas those made viable by the second approach can only exist if workers with the right skills find them sufficiently attractive. If the motive in combating unemployment is not some sort of work fetishism or the fear of leaving part of the population without a job to keep it busy, but rather a concern to give every person the possibility of taking up gainful employment in which (s)he can find some accomplishment, then there is no doubt that the basic income approach is to be preferred. If, moreover, for the reasons outlined earlier, we cannot hope to eliminate unemployment either by accelerating growth rates or by lowering earnings levels or by imposing a reduction in working time, then basic income provides the only viable strategy for effectively fighting unemployment in the sense in which it is essential that the latter should be fought.

A green strategy ...

The argument so far is meant to appeal to anyone moved by considerations of fairness and efficiency, and facing squarely the employment situation characteristic of most European countries. But why should the basic income approach be particularly congenial to members of the Green movement? And why should it be particularly suited to the the new Europe that is emerging as a joint result of economic unification in the West and democratic revolutions in the East? The argument presented above sheds light on these questions. Let me briefly sketch, by way of conclusion, what I believe the answers to be.

The green movement is made up of at least two components. Very roughly, the "green-green" component's central concern is with the

pollution generated by industrial society, and its central objective is the establishment of a society that can be durably borne by its physical environment. The "green-alternative" component's central concern, on the other hand, is with the *alienation* generated by industrial society, and its central objective is the establishment of a society in which people are freed from the compulsion to perform meaningless work. For both components, there is something very attractive in the idea of a basic income.

For one of the *green-greens'* main enemies is productivism, the obsessive pursuit of economic growth. And one of the latter's most powerful justifications, in particular among the working class and its organizations, is the fight against unemployment. What the idea of a basic income provides, as argued above, is a coherent strategy for tackling the latter without relying on faster growth. By exposing the weakness of the link between less unemployment and more growth, it undermines the broad productivist coalition and thereby improves the prospects for realizing green-green objectives in a world in which pollution (even in the widest sense) is not the only thing most people care about.

That *green-alternatives* too should be attracted to basic income is more obvious still. For the provision of a significant unconditional income gives *everyone* the real freedom - as opposed to the sheer right - to turn down a job that is not found sufficiently fulfilling - or that does not pay enough to compensate for its failing to provide intrinsic fulfilment. Of course, the lower the basic income, the smaller the real freedom it provides. But even a modest basic income can enlarge considerably the range of occupations for which the least skilled could opt, while maintaining an acceptable standard of living. How could the idea be resisted by anyone seriously committed to reducing the compulsion to perform alienated activities?³

³ In this paragraph, I deliberately make things appear a bit simpler than they really are. I have discussed the relation between political ecology and basic income in more depth in "Impasses et promesses de l'écologie politique", *La Revue Nouvelle* (Bruxelles) 92 (2), février 1990, 79-93. A international sample of recent green pleas for basic income includes Robertson, James, *Future Wealth. A new economics for the 21st Century*, London & New York: Cassell, 1989; De Vlieghe Wilfried, *De Aarde Bewaren*, Berchem (Belgium): EPO, 1990; JANSSEN, Raf, *Armoede of Soberheid. De verarming van mens en milieu als*

... for the new Europe

Let us next turn to the second question. Why should basic income be made particularly relevant by the changes that are now occurring, East and West, and giving Europe a new shape? "1989", the "democratic revolutions" in Eastern Europe have most probably sealed the fate of the socialist dream - the idea that State control over the means of production could provide the core of a desirable society. But it does not follow that there is no major breakthrough ahead, that we are stuck - at best - with roughly the sort of capitalism we have got, and that the main battles left are essentially of a defensive nature; to protect civil liberties, the welfare state and our ecosystem against the powerful pressures deriving, directly or indirectly, from capitalist competition. The potential breakthrough that is worth fighting for is precisely the introduction of a basic income, which builds on the conquests of the welfare state in order to achieve for people's real freedom what the abolition of serfdom and slavery did for their formal freedom. This breakthrough is fully consistent with a market society. It provides a sort of "capitalist road to communism", a way of remaining true to the valuable emancipatory ideal incorporated in the communist "realm of freedom", while dismissing the institutional framework of so-called "communist" regimes as an inappropriate way of pursuing it. The collapse of these regimes makes basic income capitalism more relevant than ever as an attractive horizon for European societies.⁴

With "1993", the establishment of the single European market, the introduction of at least a partial basic income is becoming far more than a sheer horizon. Increased mobility of both people and capital, increased

nieuwe sociale kwestie, Utrecht (Netherlands): Commissie Oriënteringsdagen, 1990; Powell, Robin, "Towards ecological security", *Social Alternatives* (Australia) Vol. 9 (1), 1990, 15-16; Soininvaara, Osmo, "Basic income as part of a green economic strategy", paper presented at the Third European Conference on Basic Income, Florence, September 1990. De Vlieghere and Soininvaara are green Members of Parliament in their respective countries.

⁴ Basic income is presented and discussed in this perspective in a special issue of *Theory & Society* (Dordrecht: Reidel) Vol.15 n°5 (1986), also available in Spanish translation as a special issue of *Zona Abierta* (Madrid: Fundación Pablo Iglesias) n°46/47 (1988). The relevance of a basic income to the future of Eastern Europe is discussed by Gérard Roland in the last chapter of his *Economie politique du système soviétique* (Paris: L'Harmattan, 1989).

competition in all areas make it imperative and urgent to set up at least an elementary social protection on a European scale. How could this be done? Social insurance systems are structured in such complex ways, and in ways that differ so much from one country to country that trying to harmonize them to any significant extent looks a hopeless task. One might then think of trying, more modestly, to introduce a European guaranteed minimum income scheme - on the model of the British "supplementary benefits", the Dutch "bijstand", the Belgian "minimex", the German "Sozialhilfe", the French "revenu minimum d'insertion", etc. But if this scheme is to be uniform across the European community, it will either (if low) badly damage the situation of the worst off in the more affluent countries of the Community, whose current minimum income level is higher than the European one would be; or (if high) create a disastrous unemployment trap in the less affluent countries, whose current median *wage* is close to what the European minimum income would be. And if it is not uniform across countries, it can be safely expected to generate all sorts of unfortunate consequences, whether of a pragmatic or a symbolic nature (selective migration to high-benefit countries, feeling that there is a hierarchy of "castes" of European citizens, whose membership is determined by nationality, etc.).

The roads thus sketched can and will be tried - at least as thought experiments. But my forecast is that, as a result of this process, more and more people will start thinking about a very simple alternative option. Why not introduce, say at the same time as the European currency, what could be called a Eurogrant: a basic income at a comparatively low level (say, £150 per month) paid unconditionally to every permanent resident of the EEC, and financed directly by a European tax, say a uniform taxation of private and corporate energy consumption. This Eurogrant would of course not replace all welfare state provisions (old age pensions, unemployment benefits, student grants, disability allowances, means-tested minimum income guarantees, etc.): these would only be reduced by an amount equal to the grant, and abolished only if they did not exceed this amount.⁵

⁵ A similar scheme has been proposed on a national scale by the Dutch Scientific Council for Government policy (WRR) in an important report (*Safeguarding Social Security*, Report 26, abridged English version, The Hague, 1985) and extended to the EEC in Nic Douben,

In low wage countries without a guaranteed minimum income, this would amount to introducing a form of income guarantee that does not create an unemployment trap. It would also provide those countries (and particularly their poorer regions), which tend to consume far less energy per capita than others, with a large, stable and non-stigmatizing net transfer of resources that reaches their citizens directly, instead of having to pass - with a heavy "leaky bucket" toll - through a maze of programmes and organizations. In high wage countries with a guaranteed minimum income, on the other hand, the introduction of a non-means-tested Eurogrant is more like the introduction of a right to work than like the introduction of a right to an income. For contrary to what happens under means-tested income maintenance systems, none would have to give up her/his Eurogrant when finding a job. Hence, though the proposed package would not suppress the unemployment trap - because of residual income supplements provided nationally -, it would significantly reduce its depth. Such a scheme, moreover, could serve as a partial substitute for European agricultural policies. It would help guaranteeing small farmers a regular income, and would constitute overall a large net transfer from the cities to the countryside.

For many, including myself, this partial basic income, would only count as a first step. But it is now high time to focus on it and look closely at the legal, economic, political and sociological problems its implementation will raise. This is the way forward for this - radical but realistic - green strategy for today's Europe.