



## **How much is just enough? The basic income is now a fashionable idea across Europe.**

The basic income — paid to all, and for life — is now a fashionable idea across Europe. But would it supplement welfare or replace it?

Olli Kangas, a director at Finland's social insurance body, Kela (1), says: 'To talk about a basic income without being specific is like talking about getting a kitten without saying whether you mean a cat or a tiger.' Over the last few months, the idea has been gaining traction in Europe and beyond, and those who advocated it early on are surprised to see the many feline varieties it has produced.

Everyone agrees on the basic definition: every individual receives a regular sum from the community, for life and unconditionally, independently of any other income, including that from paid employment. The left's version advocates a figure close to the minimum wage (2), high enough to cover basic necessities (around €1,000), which would allow people to turn down jobs they considered dull, anti-social and/or badly paid (3). It would address the different ways in which people contribute to society: through paid or unpaid work, training (before entering working life, or changing career), caring for relatives, voluntary work, creative work. One advocate of this approach in France, Baptiste Mylondo, also calls for drastic measures to reduce inequality: a highly progressive income tax, a wealth tax and a maximum income with a permitted differential of 1:4 (4).

The neoliberal version, as theorised by the US economist Milton Friedman (1912-2006) with his negative income tax (5), prescribes a basic income too low for people to get by without a job. Such an income, instead of putting workers in a stronger negotiating position, could work like a subsidy to employers, tempting them to cut workers' pay. And it would be a 'final settlement', replacing existing welfare benefits — health insurance, unemployment and family benefits, old age pensions.

So the basic income could service diametrically opposed visions of the world and society. Nicole Teke and Yin Yue of the French Movement for a Basic Income (MFRB), founded in 2013 and with about 900 members, complain: 'Some call us neoliberals, others say we're communists.' It's hard to tell which way the debate is going: some see cats, others tigers. On the right, Marc de Basquiat, an engineer and a leading French theorist of the idea, said: 'Two surveys of political party activists, a year apart, show that the concept is increasingly associated with "the left". That's very bad, because if it's seen as a leftist fad, it will be even harder to make progress.' He felt that the Nuit Debout (Up All Night) gatherings, which discussed the basic income and its merits as compared with Bernard Friot's salary for life idea (a salary

not determined by market forces), hadn't helped...

Corinne Morel Darleux, a member of the national secretariat of France's Left Party (PG), was vexed. She encountered the idea eight years ago, thanks to Mylondo, through the Utopia Movement, which draws its members from Europe Ecology-The Greens (EELV) and the PG: 'I feel it's still the most subversive idea in politics. Except that it's been adopted by all kinds of people, but in forms that are meaningless.' There is nothing revolutionary about media-acclaimed experiments in the Netherlands and Finland. In the Dutch towns considering such a scheme, it is more like 'a welfare reform inspired by some principles of the basic income', according to economist Sjir Hoeijmakers.

## **Finnish experiment**

Finland's Centre Party, in government since April 2015, has campaigned for a basic income to improve the efficiency of social welfare, and to revive economic activity in a time of austerity by encouraging those on welfare onto the labour market. The principle has widespread support from the Finnish people, as well as political parties such as the Greens and the Left Alliance. The basic income would be independent of any income from employment, and would help eliminate inactivity traps — where returning to paid employment means risking a fall in income because of loss of benefits. After a final report, the government plans a two-year experiment starting early in 2017, but information published so far indicates that the targets have been lowered. The basic income for the pilot project will be only €550, on top of housing benefit, and will be paid to 10,000 people. Economist Otto Lehto, a member of the Finnish section of the Basic Income Earth Network, said: 'It's very different in spirit from the Swiss referendum [see *The Swiss debate*]. It doesn't set out to fight poverty, or establish a right to an income, even less to free people from wage slavery.'

French supporters, as yet few and often alone in their circles or political parties, are working together, though they are aware of their differences. 'I like Baptiste [Mylondo] a lot, but he's an idealist,' said De Basquiat. 'And limiting the income gap to a maximum of 1:4 would be a major blow to individual freedoms.' French national assembly deputy Frédéric Lefebvre of Les Républicains (formerly the Union Pour un Mouvement Populaire, UMP), a former close associate of Nicolas Sarkozy and a candidate in the primary for the presidential election in 2017, said that Julien Bayou, a spokesman for EELV, took him to talk about the basic income with a homeless person living in a squat run by the Jeudi Noir (Black Thursday) association. During the national assembly debate on the Digital Republic bill in January, Lefebvre and Socialist deputy Delphine Batho defended amendments calling on the government to report to parliament on the feasibility of a basic income. 'I totally accept the cross-party nature of this initiative,' said Batho. 'Parties are not producing any new ideas. The important work happens outside the party framework. And this is an issue that's as divisive internally as it is externally. We don't agree about everything, but we must strive to build ideological majorities.'

No one talked openly about dismantling social welfare, not even Lefebvre or Gaspard Koenig, founder of the neoliberal thinktank Génération Libre. The MFRB claims to be neither of the right nor the left, but its charter states that the introduction of a basic income 'must not challenge public social insurance systems, but complete and enhance existing social protection.' It could replace some French social security benefits funded by taxes, such as the active solidarity income (RSA) (6), but there is no talk of changing the insurance regime financed by contributions: pensions, unemployment, health insurance. Only family allowance would be replaced by a basic income, smaller than that for adults, paid to each child.

There is one exception: a report published in May by the Jean-Jaurès Foundation, which has close links to the French Socialist Party, had three funding scenarios inspired by concern not to generate additional debt, all of which would gut the social security system. The first would pay all adults €500 a month, but dismantle health and unemployment insurance; the second, which the authors considered more credible, would pay adults €750, but ‘recycle’ social security benefits, including pensions; only the third, which would pay adults €1,000, calls for extra deductions. Jean-Eric Hyafil of the MFRB, who is writing a thesis on the universal income, denounced the ‘huge errors’ in this report during a debate in Paris on 26 May with Jérôme Héricourt, coordinator of the Jean-Jaurès Foundation’s working group, insisting that ‘a basic income is perfectly compatible with high social protection and public spending.’ Héricourt replied, with obvious embarrassment, that the report’s authors did not see the basic income as ‘the right solution to the problems of the 21st century’ but had not wanted to say so in the document, which had been written ‘in a spirit of neutrality’ — with the result that the media took the scenarios as recommendations.

Pay everyone the same amount, whatever their circumstances: all advocates of the basic income agree there should be an end to the intrusion into private life of the current social security system, under which benefits are conditional on income and family situation. De Basquiat said: ‘It’s intolerable that people should be paid to count the number of toothbrushes that people receiving the RSA have in their bathroom, to make sure they are not living with someone, when they just want to have enough to eat.’ (The RSA for a couple is lower than for two single people.) Koenig took the same view: ‘We must fight poverty in the most effective and least paternalistic way possible, by giving people the minimum that they need, without interfering in their private life or checking that they are not actually work-shy.’ The economies achieved by making the basic income unconditional would also help to pay for it. Lefebvre emphasised the cost of setting norms, providing guidance, carrying out checks and imposing penalties. He also said the introduction of a basic income would create a virtuous circle of economies, due to ‘less delinquency, lower spending on healthcare [and] better education.’ Unlike other rightwing figures who have seized on the idea, he believes the basic income should be high, ‘between €800 and €1,000’.

### **‘As long as you are living comfortably’**

Belgian philosopher Philippe Van Parijs revived the basic income concept in Europe in the early 1980s, under the title of universal allocation. As a former member of Belgium’s Ecolo party, he believes that the scope for people to organise their own life and work challenges the habits of thought of both right and left. ‘During a talk to the Flemish Liberal Party [VLD], I asked “Who here thinks that freedom is a core value?” They all raised their hands. So I said “Now, who thinks it should be reserved for the rich?” By contrast, at a meeting with Greek, Spanish and Italian activists from Syriza, Podemos and Rifondazione Comunistaat Bari in Puglia, I wondered if the left was right to restrict itself to defending the state and equality, leaving freedom to the right.’

There are still fundamental differences: Koenig and De Basquiat are trying to fight poverty, but not inequality. They advocate a ‘negative tax’ (allowance) of €450 per adult and €225 per child, to be funded by a 23% flat-rate tax on all income ([7](#)). This would be accompanied by higher wealth taxation, and the ending of exemptions from property income and financial income taxes. ‘This would make virtually no difference to the current balance of redistribution in France,’ said De Basquiat. ‘The rich would get very slightly less, and the poor very slightly more. But it would rationalise the system; it would end stigmatisation and paternalism; it would do away with threshold and trap effects; and it would be an effective way of fighting poverty.’ Koenig and De Basquiat base their analysis on an absolute definition

of poverty, rather than a relative one, which Koenig feels would be a ‘jealous’ definition: ‘It shouldn’t matter that other people are getting very rich, as long as you feel you are living comfortably.’

What other arguments are there? All advocates of a basic income talk about the number of jobs likely to disappear because of automation and digitisation. In Switzerland, the authors of the Unconditional Basic Income initiative marched through the streets dressed as robots, demanding to be allowed to work instead of humans. However, a recent OECD (Organisation for Economic Cooperation and Development) report tempers the conclusions of earlier studies predicting massive technological unemployment, stating that ‘9% of jobs are at high risk of automation’ and that ‘workers with a lower level of education are at the highest risk of displacement’ (8).

Hyafil said: ‘Nine percent is quite enough already. Especially when you add it to our current levels of unemployment. But I don’t believe all the talk about the end of work. Ecological transition, for example, is creating lots of jobs. As the economist Jean Gadrey says, aiming for lower growth doesn’t necessarily mean fewer jobs: quite the contrary. But we need to think about quality rather than quantity. And even with full employment, we would need a basic income to allow everyone to choose a job, not be subjected to one.’ US anthropologist David Graeber’s pamphlet about ‘bullshit jobs’ (those neither interesting nor socially useful) caused a major sensation (9). Former Greek finance minister Yanis Varoufakis, another advocate, believes that ‘the right to turn down a job is essential for a well functioning labour market and for a civilised society’ (10).

A basic income would also make people less worried about the future in a time of general insecurity. But it would risk validating the imbalance in the distribution of wealth between wages and business profits. That is clear when Lefebvre cites the example of earned income tax credit in the US (also adopted in the UK), with which the government supplements the incomes of the working poor. A basic income could also give free rein to the dismantling of labour legislation, and the undermining of wage gains by apps such as Uber. Batho said of France: ‘We must build a new social compromise, better suited to our times than the one we inherited at the Liberation, yet without making the basic income a tool of Uberisation.’ That may be difficult.

## **A degree of fatalism**

Everything depends on the negotiating power workers would gain from the amount of the basic income, and from the deductions and other wealth redistribution systems in operation. But many advocates are as timid about this as the idea they support is bold. Van Parijs calls for a gradual introduction, starting with a small amount; Mylondo objects that ‘there is no guarantee that this small amount would subsequently be increased.’ The MFRB extols the emancipating effects — the paradigm change it would allow — but is satisfied by projects that recommend even a small amount, close to the current RSA. The MFRB has even collaborated with the very conservative Christine Boutin, leader of France’s Christian Democratic Party, who proposed a basic income of €400. This fits the MFRB’s declared apolitical stance, but is unacceptable to Mylondo, who has never been a member of the movement. He would rather have nothing than a cut-rate basic income: ‘I don’t insist absolutely on an unconditional income.’ Morel Darleux, too, denies being obsessed with the basic income.

When it comes to funding, the ‘realistic’ and ‘pragmatic’ argument suggests a degree of fatalism about the social and political balance of power. The MFRB is part of the Quantitative Easing for People

campaign, which calls on the European Central Bank (ECB) to use its power to create new money to help ordinary people directly, rather than private banks. It sees this as an opportunity to build the foundations for a European universal income. The ECB has not ruled out ‘helicopter money’, paid to everyone to help revive demand, if its efforts to fight (potentially devastating) deflation are unsuccessful. But the MFRB is far more cautious on inequality. Hyafil feels there is no point in picking on the richest, which could exacerbate tax evasion, and recommends a ‘consensual’, ‘centrist’ approach, to attract support. ‘At the Liberation, the bosses were keeping a low profile because they had collaborated [with the Nazis]; that is no longer the case,’ said Martine Alcorta, EELV vice-chair of the Aquitaine regional council, which is preparing for a basic income experiment. De Basquiat believes ‘a war or two’ will be necessary before there is majority support for a leftwing basic income. The idea that the fight against tax fraud could at last be effective, as many supporters hope, made him smile: ‘If there was any real will to end it, they’d have done it a long time ago.’

As with any progressive project, the leftwing version of the basic income is blocked by the lack of a government capable of implementing it. As the idea becomes popular, there is also a risk that it will become distorted. For the most part, the concept still arouses indifference or disapproval, but some view it as a convenient lifeline ahead of France’s legislative and presidential elections in 2017, at a time when new ideas are in short supply and politics are discredited. This spring, at the height of the debate (and street battles) over France’s changes to its labour law, Guillaume Mathelier, Socialist mayor of Ambilly (Haute-Savoie department) who wrote his thesis on the universal income, revealed that the Socialist Party’s first secretary, Jean-Christophe Cambadélis (a sceptic on the subject), had asked him to get people in the party talking about it. Prime Minister Manuel Valls said on Facebook in April that he wanted to ‘start considering a universal income’, though he immediately specified that it would not be paid to everyone, as that ‘would be too costly and would be pointless’. He had no objection to a universal income, provided it was not actually universal.

But there seems to be little hope of establishing the right to a sufficient income in a society stifled by austerity and angry talk of state handouts, where the image of work is coloured, in Mathelier’s words, by ‘the myth of original sin’. Morel Darleux feels the issue should not be rushed: ‘If it’s a matter of calling for urgent action, I prefer to demand that the minimum wage be raised, or that people employed on a casual basis in public services should be given permanent jobs. These measures would restore previous gains, whereas a basic income would be conquering new ground. For me, the debates it provokes are as interesting as its actual implementation. The journey is as important as the getting there. You only have to mention the idea to start a passionate debate on what we want to do with our lives, and how society should be organised.’ Taking the time to fight the cultural and political battle may be the best way to ensure that the kitten, once home, won’t turn into a tiger and devour its owners.

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Translated by Charles Goulden

- (1) Debate at the Finnish embassy in Paris, 3 March 2016.
- (2) The French net minimum monthly wage for 2016 is €1,141.
- (3) See [‘Special Report: a Basic Minimum Income’](#), *Le Monde diplomatique*, English edition, May 2013.
- (4) See Sam Pizzigati, [‘Enough is enough’](#), *Le Monde diplomatique*, English edition, February 2012.
- (5) Milton Friedman, *Capitalism and Freedom*, University of Chicago Press, 2002 (first published 1962).
- (6) French in-work welfare benefit aimed at reducing the barrier to returning to work. The basic rate is €524.68 for a single person and €787.02 for a couple.
- (7) They believe housing benefit should be a separate allowance reflecting individual circumstances.
- (8) [‘Automation and independent work in a digital economy’](#) (PDF), *Policy Brief on the Future of Work*, Organisation for Economic Cooperation and Development (OECD) Paris, May 2016.
- (9) David Graeber, [‘On the phenomenon of bullshit jobs’](#), *Strike!*, 17 August 2013.
- (10) Yanis Varoufakis, [‘Technical change turns basic income into a necessity’](#), presentation at the Future of Work Conference, Gottlieb Duttweiler Institute, Zurich, 5 May 2016.

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