



Philippe Van Parijs: ‘Basic income is real freedom for all’

Interview. Philippe Van Parijs, the famous basic income theorist, presented his latest book in Italy: “Basic income: A Radical Proposal for a Free Society and a Sane Economy.”

“Italy is a country full of contradictions: It has sun for nine months a year, and with a basic income people would lay down, would sit and eat pasta with tomatoes,” said Elsa Fornero, former Italian labor minister, in 2012.

I put this classic objection to Philippe Van Parijs, the well-known philosopher of basic income, who co-wrote with Yannick Vanderborght the monumental book *Basic Income: A Radical Proposal for a Free Society and a Sane Economy* (Harvard University Press; Italian translation by Il Mulino).

“Would Elsa Fornero spend her time sunbathing and eating pasta if she received a basic income of €500? Of course not,” says Van Parijs. “Surely, she wants more money than that. What if it were €5,000? I know Elsa. She would still keep working. Just as much. As would most of us with interesting jobs.

“What about her cleaner? That’s another matter. Even with a modest basic income, she might decide to reduce her working time, so that she can pick up her kids earlier from an overcrowded crèche instead of cleaning other people’s toilets until late. Or perhaps she would resume the training course she had to interrupt, or help in her sister’s shop — a less secure, but more autonomous job.

“If Elsa wants to keep her, she will have to pay her more. This might mean — I am just guessing — that she won’t be able to afford that lovely painting that would fit so well into her lounge. But this seems just fine to me. What about you?”

Matteo Renzi [former prime minister, head of the Italian Democratic Party] said “Italy is a work-based republic” and that basic income is “unconstitutional.” Does your proposal contrast income with work?

If a modest income that enables some poor Italian people to reduce their working time with less hardship to their families is unconstitutional, then what about the huge inherited wealth that enables some rich Italians to live in luxury for their whole lives? Inheritance has a greater chance of failing the test of Article 1 of the Italian constitution than basic income.

Some of the privileged might still try that trick. As Bertrand Russell put it, “the idea that the poor should have leisure has always been shocking to the rich.”

Why should basic income be individual?

There are two senses in which a basic income is individual.

Firstly, it is not paid to the sole “head” of each household, but to each adult member of each household. This enhances both the purchasing power and the bargaining power of the most vulnerable member of the household.

Secondly, the [per capita] amount of the basic income would not be affected by the composition of the household. It does not decline, as social assistance benefits tend to do, with the size of the household.

Therefore, no need for intrusive controls in order to check the living situation of basic income recipients. And no isolation trap: basic income recipients are encouraged to live with others, thereby saving on housing space and other expenses. Their basic income will not be reduced.

What are the differences between “basic income” and a “Citizen’s Basic Income”?

In Italy as elsewhere, these expressions are often used interchangeably. When we founded the [Basic Income European Network](#) in 1986, various expressions most were used to refer to an unconditional income, paid on an individual basis without a means test or work test.

“Social dividend” was most common in British English, “demogrant” in American English, “allocation universelle” [universal benefit] in French, “borgerløn” [citizen’s wage] in Scandinavian languages. But the Netherlands was then the only country in which there was some degree of public awareness of the idea, there called “basisinkomen.” We therefore adopted its English equivalent in the name of the first international network. This gradually led to the increasing adoption of the corresponding expressions in other languages (*Grundeinkommen, reddito di base, ingreso basico, revenu de base, etc.*).

But there are many exceptions. The U.K.’s basic network, for example, has been called “Citizen’s Income Trust” for many years. In Italy, however, “*reddito di cittadinanza*” now seems mostly used to refer to a means-tested minimum income scheme.

What are the differences between “basic income” and such a minimum income scheme?

Any such minimum income scheme — including Italy’s *reddito di inclusion sociale*, due to be introduced next year, and 5 Star’s *reddito di cittadinanza*, at least in the latest version I saw — is a form of social assistance. It differs from a basic income in being conceived at the household level, targeted at the poor and conditional on job search or job acceptance. As instruments for policy alleviation, such schemes are far better than nothing.

But they suffer from intrinsic defects. One concerns the rate of take up: because of the complexity of the procedure and its unavoidably stigmatizing character, many poor households never get what they are entitled to. Another problem is the poverty trap: many social assistance recipients remain stuck in a situation of inactivity because of the impossibility or the complexity of combining labor income with the benefit. If they found a job or created their own, their material situation would often hardly improve or even worsen and their material insecurity would increase. The higher the social assistance benefits, the

deeper this trap.

Because a basic income is not a safety net but a secure floor to which income from other sources can be unproblematically added, it avoids these defects. However, in Italy as elsewhere, a general social assistance scheme is an important step forward.

And for the foreseeable future any realistic level of unconditional basic income will need to remain combined with social assistance top ups, especially for people with special needs or living alone.

Why should basic income be only in cash and not in goods or services?

You can regard both universal primary and secondary education and a universal health care insurance as a sort of basic income in kind. I am not at all in favor of replacing them by a basic income in cash. And it can sometimes be difficult to decide whether some available resources should be devoted to an increase in the basic income level rather than to an improvement or expansion of, say, the scuola materna. But I am definitely not in favor of distributing the basic income in the form of food, clothing or housing.

The presumption in favor of cash derives from the will to let the people choose rather than let the bureaucracy decide for them.

But this is only a presumption. And in the domains of education, health care, quality public spaces and quite a few other public goods, there good reasons — mild paternalism, positive externalities, etc. — to make exceptions.

Many fear that basic income will erode social and public services and will open the door to privatizations. Is that so?

Why should it be? Caution is recommended, and not every specific basic income proposal (funding included) would be an improvement. But alleged dangers are often the argument to which conservatives resort in order to protect their own comfort.

In a society that adopts basic income, would there still be pensions?

Earnings-related pensions or unemployment benefits would come of top of the unconditional basic income, at a level reduced by the amount of that basic income, fully financed by social security contributions and subjected to essentially the same sort of conditions as today.

In some proposals, the basic income takes the form of a higher basic pension from the official pension age.

The fundamental point is that a basic income would not replace social insurance but only rescale it and enable to perform its functions better than now.

Why do you argue that the economic sustainability of basic income is threatened by migration?

Immigration presents a challenge to any form of redistribution that is meant to benefit every legal

resident, not just those who have contributed to a social insurance scheme. This applies to basic income proposals, but just as much to means-tested minimum-income schemes and to in-work benefits for low-paid workers.

If the transfers involved are generous, they will operate as magnets, even if immigrants are coming in order to work, not to cash in benefits.

You say basic income policy also exposes the most solid progressive to the “cruellest of dilemmas”: to choose between Us and Them, the national poor and the migrant poor. How do you escape the dilemma between democracy and racism?

The cruel dilemma for progressives in rich countries is not one between democracy and racism but between national solidarity and global solidarity. If it does not function too badly — that is by giving enough weight to public justification to the electorate — a national democracy can be made to implement a significant level of national solidarity. But this cannot be expected [to reach the same extent] for solidarity across borders. This may lead to racist accents in national democratic debates, but need not.

The fundamental tension, particularly salient in an unequal world is between national democracy and global justice. It cannot be resolved in one big jump. Hence the enormous historical importance of the European experiment. Building the socio-economic institutions required by the pursuit of transnational solidarity and the political institutions required to sustain them is a difficult, laborious process.

No political entity in the world is anywhere close to the European Union in terms of progress along this rocky road. There is a lot there to preserve and strengthen. But there is also a long way to go.

You propose a reform of the European Union into a transfer union. It is not about creating a “super-European welfare state,” but creating a “transnational redistribution.” What is it and what effect will it have on migration?

I propose the introduction of a Euro-dividend: an E.U.-wide or Eurozone-wide basic income of €200, modulated according to the average cost of living in each country and funded by VAT.

It can contribute to macroeconomic stabilization, but also to demographic stabilization: It will enable some people in poorer member states to remain closer to their roots and their relatives rather than flocking into overcrowded Western cities.

There is the helicopter money proposal, defined by Mario Draghi: The BCE prints money to fund a basic income and not just to buy government bonds. What do you think?

He is right. I believe he does recognize that it might have worked better than operating in the usual way through the banks. But there was no pipeline to take the one or two shots of €500 to the Eurozone residents. With a Euro-dividend in place, the pipeline would have been there.

You talk about basic income as a concrete utopia. On the left, some believe basic income is a neoliberal utopia. What distinguishes your proposal on basic income from Hayek’s one?

The neoliberal utopia is one of total submission to the market, of total commodification of our individual and collective lives.

The basic income utopia consists in harnessing the dynamism of the market economy in order protect all of us, individually and collectively, from the grip of the market.

It is, of course, a utopia of freedom. But it is high time that the left should stop defining itself as defending equality against freedom, thereby abandoning freedom to the right.

The left is and must be about freedom, but understood as real freedom — the effective possibility of it, not just the right — and of course distributed in a profoundly more equal way.

Basic income is not the only thing we need for that purpose. But it is a central tool.

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