

DOES BASIC INCOME MAKE SENSE AS A WORLWIDE PROJECT?

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Does basic income make sense as a worldwide project? You would be disappointed if I said no. Sending people back home with bad news from a meeting like this one would not only be bad tactics. I would also be bad manners.

Be reassured: my answer will be yes. But not because it is good tactics. Even less because it is good manners. Simply because I have come to believe it, to my own amazement, incomparably more than I did when we founded BIEN nine congresses ago.

To explain this, I first need to distinguish two senses in which one might think of turning basic income from a national, or at most a European, into a worldwide project. There is the swelling and there is the spreading.

Swelling the project?

Swelling the basic income project into a worldwide one consists in imagining that it can be organised in a truly universal way, administered and funded at a global level.

I have great respect for the moral commitment of those who have been mobilising around that idea, most forcefully perhaps the Dutch artist Pieter Kooistra and his Foundation "UNO basisinkomen voor alle mensen" (www.uno-inkomen.org). Yet, this is pure speculation for our generations. But pure speculation need not be useless speculation. And in this case it is of a sort with which it is definitely not too early to start seriously, as ever stronger worldwide interdependencies make progress in this direction both more feasible and more necessary.

Obviously, a crucial part of that speculation concerns the funding. Let me just briefly state, without argument, a couple of negative and a couple of positive convictions. I do not believe in the feasibility of a worldwide personal income tax, because the exact definition of taxable income should rather be left, in my view, at a far more decentralised level. Nor do I believe in the relevance, for this purpose, of Tobin-type taxes on international transactions. They may be useful for keeping destabilising speculation in check or funding expanded supranational organisations in less precarious a way than is currently the case. But their equilibrium yield would fall far short of making a significant contribution to the funding of a worldwide basic income.

More worth exploring, in my view, is the idea of combining the move to one single global currency, as advocated e.g. by Myron Frankman ("Beyond the Tobin Tax: Global Democracy and a Global Currency", *The Annals* 581, 62-73), and the use of the seigneurage rights associated with this currency for funding a modest non-inflationary basic income at the level of the annual growth of the world GDP, along the lines developed by Joseph Huber at our Berlin congress (see his *Vollgeld. Beschäftigung, Grundsicherung und weniger Staatsquote durch eine modernisierte Geldordnung*, Berlin: Duncker & Humblot, 1998).

Finally, and of least remote relevance, is the idea of a fair worldwide distribution of a sustainable volume of tradeable pollution rights - as distinct from a distribution according to existing levels of pollution of the sort currently considered. To reflect the Painean notion of an equal ownership by all of the resources of the planet, this would come down to a uniform global tax on the volume of emissions whose revenues would be distributed according to population size.

Even in the long term, however, this swollen basic income will not come in substitution, but in support of a basic income funded at a far less global level. Moreover, it will come only if a large number of far more local schemes first prove that implementation difficulties can be overcome and that key objections can be refuted, however adverse a country's circumstances may seem.

Spreading the project? The Congo

For the time being, therefore, by far the most important interpretation of my question is therefore the second one. Does it make sense to think of spreading the basic income project beyond those relatively affluent countries with a relatively developed welfare state in which it first took root? Two sets of contrasting impressions strongly affected my thinking on this question since the last time we gathered.

In the Spring of last year, I discovered the Congo in the course of what was one of the most mind-blowing academic trips of my life. Among the many aspects of the Congo's situation that struck me, I'll just mention three that are directly relevant here.

First, when the Congo became independent from Belgium, both countries had about 10 million inhabitants, slightly more for the Congo, slightly less for Belgium. Four decades later, Belgium has laboriously reached 10.5 million, while the Congo is approaching an estimated 52. A walk through the sandy streets of Kinshasa has the cheerful flavour of strolling through a kindergarten, but it cannot help feeding worried thoughts about how vigorous the demographic transition will need to be and how ill-advised any transfer scheme that could be expected to slow it down.

Second, as you talk with people at the very top of the Congo's state apparatus, you realise that no one has (or at any rate had then) much of a clue as to how many people the government is employing, who they are, how often and how much they are paid. How can you imagine, in this context, conveying an income in reliable fashion, not merely to some thousands of civil servants, but to many millions of citizens?

Third and not least, what political chances can there be for a serious and ambitious programme in favour of the poor in a country in which nearly all political, administrative and academic life operates in

French, a language mastered by a small and shrinking minority of less than 10% of the population? How can the voices of those who would stand to benefit from such a programme be sufficiently heard, indeed how can even their ears be sufficiently taken into account, to make significant steps in this direction politically sustainable?

I sat thinking about these three sets of considerations on the flight back, having just escaped a last attempt by some locals to get a small first instalment of their prospective worldwide basic income. Had I been asked then whether basic income made sense as a worldwide project, I'm pretty sure I would have said no.

Spreading the project? South Africa

Yet, not long after I got back, I found out, bit by bit, both about what was already in place and about what was being vocally demanded, in a country not that remote from the Congo, geographically as well as socio-economically: the Republic of South Africa.

What is in place? First and foremost, as regards our subject, a non-contributory pension of 600 Rands (or EUR 60) per month, paid to all women aged 60 or more, and to all men aged 65 or more, subject to a means test that practically amounts to excluding all households entitled to a pension from the formal sector and only them. Developed during the final years of the apartheid regime, this scheme is far more redistributive than all other aspects of the South-African tax-and-transfer system taken together. It is also without much doubt the largest redistributive transfer scheme in the whole of Africa. About 80% of the age-qualified Black population of South Africa reports receipt of it, compared to about 10% of the age-qualified White population. 75% of the recipients are women. (See e.g. Anne Case & Angus Deaton, "Large cash transfers to the elderly in South Africa", *The Economic Journal* 108, 1330-61, for an informative analysis.)

What is most remarkable about this scheme is that it works, that it has somehow managed to tackle the huge implementation problems involved in reaching nearly two million beneficiaries, many of them illiterate and living in remote rural areas. Remarkable too is that the redistribution it effects reaches far beyond its immediate beneficiaries. The granny's pension is the main source of formal income for a large number of extended households, with wide-ranging effects across generations, most strikingly on the granddaughters' health (see Anne Case, "Health, Income, and Economic Development", Princeton University, Department of Economics, May 2001). Moreover, making the elderly the title-holders obviously has the advantage of handling the demographic problem far better than any other simple type of poverty alleviation scheme. And it avoids any direct work disincentive for the population of working age. Which is not to say that it does not come without intrinsic defect, as expressed for example in the alleged tendency for the administrative life of grannies to significantly outstrip their physical life.

On the background of both the success and the limitation of this remarkable scheme, South Africa has recently witnessed the surprising development of a powerful movement calling without the slightest ambiguity for a fully unconditional universal basic income at the monthly rate of 100 Rands (or about EUR 10). A basic income coalition has been formed around this demand, with the support of the

Churches and, most strikingly, the Trade Union Confederation COSATU, as documented and explained in several contributions to this congress.

One key question is of course: Will the administrative cost of delivering so widely such a small amount not end up swallowing an absurdly large share of the resources? Advocates are quick to respond that any serious means test would lend itself to far more waste and abuse. Another key question is: Who is going to pay? If it becomes clear that the bulk of the net funding will need to come out of the salaries of formal sector workers, how can one expect strong Trade Union support to persist? Will it help to point out that less remittances will need to be sent to the villages once all the workers' relatives receive a basic income grant? Will it help to turn to indirect taxation, as forcefully advocated for example at this congress by Pieter Le Roux, on the ground that a VAT strategy would spread the tax net far more widely beyond the incomes of formal sector workers?

My own prediction - not to be spread beyond our circle ! - is that this campaign will fail, in terms of its stated immediate objectives at any rate. But such a failure must not breed despondency. Qua advocates of basic income as a worldwide project, we must be cold-blooded enthusiasts, prepared to cope with countless disappointments and always ready to draw lessons for the next move.

Whatever the fate of South Africa's deeply impressive and (to me) totally unexpected basic income campaign, it is clear that in this domain (as well as in several others) this is a country whose development we must follow closely. Given the demographic situation in the country - and indeed in most of sub-Saharan Africa - it is, it seems to me, to South Africa rather than to Brazil -, and in particular to its pension scheme, that Mozambique's Prime Minister, who honoured our opening session with his presence, should first turn in order to draw lessons for what can and should be done in his country. One of the functions of a network such as ours, of a congress such as this one, is to make people and initiatives aware of each other. I hope and believe that this encounter will help amplify mutual learning among African countries.

Spreading the project? Santos

This does not mean, need I say, that nothing is to be learned from Latin America. Indeed, it is a Latin American contrast I want to use as a second way of putting into perspective the ambition of spreading the basic income project.

A couple of weeks ago, I happened to be in the city of Santos, of Pelé fame, on the Brazilian coast, standing on a platform raised above a huge crowd next to front-running presidential candidate Lula and his party fellow and federal senator Eduardo Suplicy, his challenger for the presidential nomination a few months earlier. When it fell upon Lula to speak, at the frantic end of the joyful meeting, it turned out that the importance of work was one of the two themes he had chosen to address. "What we demand", he explained, pouring with sweat, to a cheering crowd which hardly needed convincing, "is not alms but jobs, not a handout but work." One of the greatest days in his life, Lula movingly told his supporters, was when he came home to his mother to hand over his first salary. And when he subsequently lost his job, he smeared some grease on his overalls to make his mother believe he was still working. It is work, not income, that gives people the dignity, the respect they long for.

I agree with Lula. In a very important sense, there is incomparably more dignity, more respect, to be gained from grease on one's trousers than from a basic income in one's pocket. Recognition, appreciation, esteem by those we care about, and by society as a whole, cannot and must not be given as a right to anyone. It can and must be earned through doing with some degree of effort and competence things that are of some use to others. And for most people, the regular performance of paid work is the most obvious and important means for this purpose. There is no need for basic income supporters to deny this. Indeed, it is a central part of their analysis that a basic income is a key precondition for giving all real access, in sustainable fashion, to both a decent standard of living and to the sort of activity that can provide the recognition a job is supposed to give.

Jobs for all and three meals a day for every Brazilian are two central objectives emphasised in Lula's campaign. But to make them sustainably compatible, something like a basic income is needed. Owing to Eduardo Suplicy's persuasive lobbying, the idea of a universal citizen's income has been incorporated into Lula's presidential programme by the party's assembly, along the lines developed in the senator's recent book (*Renda de Cidadania: A saída é pela porta*, Sao Paulo: Cortez Editora, 2002). But listening to him suggests this is hardly more than lip service or a friendly concession to a long-time loyal supporter, that he has not made the link between what he really cares about and the basic income idea.

As I bid Eduardo farewell the following day at 5.30 at Sao Paulo airport, where he had kindly driven me through the morning fog, as I next queued into the plane and sat down, the intense memories of that extraordinary evening and of the whole of my brief Brazilian stop over crowded my mind. If a voice as articulate and eloquent, as convinced and convincing, as insistent and inexhaustible as this man's does not do the trick, if he does not manage to persuade his life-long comrade who may soon be running one of the biggest countries in the world, if this unique chance is missed, then can anyone ever hope to overcome understandable resistance within a party calling itself the workers' party and to move basic income to the political agenda of a less developed country? Had someone asked me, as the plane took off over the sleepy megapolis, whether basic income made sense as a worldwide project, I am not sure I would have said yes.

Spreading the project? Medellín

Three planes later, I landed in Medellín, Colombia, where I had been invited by the Escuela nacional sindical, a nation-wide training school for trade union officials and activists. As part of the celebration of its 25th anniversary, I had specifically been asked to give, next to more academic talks at the University of Antioquia, a public lecture on basic income. The event, I discovered, had been carefully prepared by a substantive dossier in the School's magazine and was punctuated by the publication of a little book (Jorge Giraldo Ramirez ed., *Hacia una concepción de la justicia social global*, Medellín: Fundación Confiar, 2002).

I was amazed, not least because the initiative came from Trade Union circles. But my hosts soon helped me understand better why such importance was given to the basic income project under conditions of civil war (a bomb exploded during a break, 200 m from where I was giving my talks) and breakdown of

law and order (with an average of 12 murders a day last year, Medellín claims to be the most dangerous city in the world), which would seem to impose quite different priorities.

Behind Colombia's violence, and mixed with many other factors, hides the ideological clash between what often seem to be the only real, coherent options around: the neo-liberal credo, to which all people in power seem to be resigned, and the millenarian socialism to which the guerilla claims allegiance. In this context, it is regarded as no mean feat to be able to offer a vision of the future, local and global, which can be vindicated systematically as a radically distinct approach on the high ground of ethics and political philosophy, while inspiring specific policies of far more modest scope which can both weather technical economic objections and promise to improve the situation of some of the weakest.

Significant steps towards a basic income may be further off the road in Colombia than in some other countries, because of the direct and indirect drain on resources caused by the civil war. But precisely because of this context the basic income project receives particular ideological importance as a meaningful alternative horizon, as a way of remaining loyal to the fundamental aims of the socialist tradition while making uninhibited but intelligent use of the market mechanism. In other contexts, the ideological need may be less pressing, but everywhere it gives the basic income project a potential role which goes far beyond the fixing of some shortcomings of conventional welfare states. In Santos or Sao Paulo no less than in Medellín or Capetown, parties and organisations that conceive themselves as defending the interests of all workers can and will understand that such a project must be made part of the vision that gives a meaning to their struggles.

Conclusion: Montevideo's bronze cart

In a park that surrounds Montevideo's Centenary Stadium, there is a huge bronze statue representing a cart badly stuck in the mud. The cart is pulled by four powerful oxes, it is followed by a fifth one, and it is accompanied by a gaucho on his horse. Melt in bronze, you could not help think, there is no way these poor oxes will ever get the cart unstuck. But real carts are not melt in bronze. The gaucho may have to jump off his horse and dirty his trousers to get in moving. The ox behind may need to be harnessed, and all passers by may need to be given a job, those with a big mouth and those with a smart brain, those with a big ego and those with a great heart, those with the patience of monks and those with the breath of marathon runners. Getting the cart to move forward will require some to push and others to pull, some to pinch and shout and even sing, while others fiddle around the wheels or tighten some screws, or pull ropes attached to the cart, or even explore alternative tracks a long way ahead to help keep clear of treacherous mud or prohibitive slopes.

So it is, in particular, with the cart of basic income as a worldwide project. As a philosopher, I hold the (admittedly self-serving) conviction that this cart is helped forward more than hampered by the sort of austere thinking incorporated in a book like *Real Freedom for All* and in several contributions to this congress, which attempt to build a rigorous ethical case for basic income, a sound intellectual foundation that cannot easily be dismissed by academics of any description and cannot easily be shaken even by the smartest of philosophers.

But of course, forward movement is helped far more directly, powerfully and visibly in many other ways. It is helped, for example, by those who feed the public debate by putting together a bunch of thoughtful contributions on basic income, some more favourable, some more critical, as was recently done, for example, by Loek Groot and Robert J. van der Veen (*Basic Income on the Agenda*, Amsterdam, 2000), by Angelika Krebs (*Basic Income?*, special issue of *Analyse & Kritik*, Düsseldorf, 2000), Nina Kildal (*Den nya sociala fragan*. Göteborg, 2001), by Daniel Raventos (*La Renta Básica*, Barcelona, 2001) by Josh Cohen and Joel Rogers (*What's Wrong with a Free Lunch?*, Boston, 2001), by Ruben Lo Vuolo (*La Renta básica en la agenda política*, Buenos Aires, forthcoming), or by Andrew Reeve and Andrew Williams (*Real Libertarianism Assessed*, Basingstoke, forthcoming). In the context of such bundles, and indeed also in the context of events such as BIEN's congresses, it is of crucial importance to listen and keep listening to sympathetic and intelligent but unambiguously critical voices, for example those of Phil Harvey, Ian Gough or Martin Watts at this congress. For a movement such as ours, there is no surer recipe for degeneration into an irrelevant utopian clique than shutting oneself off from those critical challenges.

But to get the cart of basic income to move, and to keep it moving, far more is needed than intellectual debate. It requires the tireless enthusiasm of campaigners, such as those who designed the lovely posters of South Africa's Basic Income Grant campaign, who stuck them up, who organised human chains in the streets of Johannesburg, marched on public buildings and lobbied in a hundred ways.

It is helped by the cold determination of Brazilian senators who go as far as singing Bob Dylan songs in the Meeting Room of the Governing Body of the ILO.

It is helped by the countless small pressures, meetings, proposals, decisions that have led 5536 out of 5581 Brazilian municipalities to introduce some form of guaranteed minimum income for families, however limited in level and scope.

It is helped by all those who use the power they are entrusted with to make little steps, sometimes tiny but often irreversible, in the right direction, for example Geneva Canton Minister of social affairs Pierre-François Unger, who announced in his intervention at this congress that he intended to abolish shortly the "dette d'assistance", i.e. the obligation for the p-beneficiaries of public assistance to pay back whatever they have received as soon as their income exceeds a certain threshold.

It is also helped by bold statements by people who manage to fulfil important functions in a responsible way without losing either their vision or their guts. In this vein, if there is any sentence participants to this congress need to remember to cheer them up in difficult moments, it is the final sentence of the speech given at our opening plenary session by ILO Director General Juan Somavia : "And yes, the moment may be nearing when your ideas will become commonsense."

Last, but possibly not least, getting the cart of basic income to move forward requires a little organisation such as ours. It needs life members, now over 120, who once in a lifetime express their invaluable solidarity by donating Euro 100 and thereby covering our modest expenses, while enabling the members of a much larger network to free ride, we believe, for the benefit of mankind. It also requires a small set of committed committee members who are prepared to update mailing lists

between 11 and 11.10 at night, and indeed even, we have just heard, to share a single bed in a freezing Antwerp loft.

Finally, e-mails and web sites are fantastic for an organisation such as ours. But to keep a network alive, there is nothing like listening to real words, shaking real hands, kissing real cheeks, looking straight into real eyes. BIEN would not be BIEN without our congresses every other year, with every time a hard core of regulars and many newcomers. These wonderful gatherings would not be possible without, on each occasion, a competent, poised and energetic team that makes it all happen. As the last speaker at this last session, I wish to thank very warmly, on behalf of us all, Nicola, Tracy, Bridget, Chris and Guy for a fantastic job that will keep us thriving until we next meet.