

Unconditional Basic Income

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1. The definition of minimum income

Minimum income is an umbrella term for community monetary payments to individuals. Minimum income can take the form either of unconditional basic income or of social allowance/basic security. What all forms of minimum income have in common is the fact that they are funded through taxes, duties or fees. Individuals' entitlement to minimum income is, however, not contingent on prior payment of duties, fees or taxes. Minimum income is not to be confused with a minimum wage. The minimum wage is income acquired through wage labour, that is, through dependent employment, which is set at a minimum level either legislatively or through collective bargaining.

Minimum income is intended to secure the livelihood of the people entitled to it, and to make (minimum) participation in society possible. Poverty is to be eliminated. Whether this occurs in practice depends on the concrete amount of the minimum income.

2. *The definition of unconditional basic income*

*Unconditional basic income (UBI), “basic income” in short, is a minimum income that is due to every person simply for existing. It is meant to secure the livelihood of every person unconditionally and to enable every person to participate in society. The four criteria for basic income are as follows: basic income is an *individually guaranteed* right from birth until death, independent of family or partnership ties, of one’s earning capacity or level of wealth, and of one’s availability to the labour market. It is, then, paid out *without any socio-administrative means testing* (that is, without testing of income or wealth by a social security office) and *without any compulsion to work or to perform any other service in return* for it. Basic income *secures a person’s livelihood and makes it possible to participate in society* (in contrast to partial basic income, see below).*

A person’s total income can be composed of basic income plus earned income or replacement income derived from it, such as sickness benefits, pensions or unemployment benefits. Furthermore, capital income can be added to basic income, as can state compensation for disadvantages in the case of chronic illness or disability, or special income in the case of especially onerous burdens (e.g. high rents).

3. The principle of basic income, or: what basic income stands for

Basic income encompasses the unconditional securing of the livelihood and participation in society of every individual person without compelling them to work or otherwise provide any service in return, and without their providing any evidence of their level of income or wealth, and is understood as an individually guaranteed safeguard. However, basic income is not a monetary principle. The principle of basic income can include both monetary payments and access free of charge to, for example, culture, knowledge, education, food, housing, health care, public transport, the Internet, natural resources, public infrastructure and social services, the material tools of production, and so on. It is clear that money is not the actual principle behind basic income. Rather, it is about a fundamental social principle: all people have the right to free, unconditional access to resources so that they are able to secure their livelihood and take part in public, societal processes.

4. The amount of basic income

The concrete amount of basic income or the extent of free, unconditional access to goods and services is a crucial criterion. A sufficient level is often designated as a pivotal emancipatory point. A so-called partial basic income, that is, a monetary payment that is similar to basic income but is not high enough to ensure a person's livelihood and/or to make it possible for them to participate in society, economically compels them to engage in employment or wage labour. Or the basic income must be topped up with means-tested social benefits. Or it does not release people from their personal economic dependencies. All of this means that the indispensable condition for a life of dignity and freedom—the unconditional nature of individual securing of a livelihood and the opportunity to participate in society—is not fulfilled through a partial basic income. The European Parliament has proposed that the respective national at-risk-of-poverty threshold be taken as the level for the amount of minimum income, and thus also for basic income. For Germany, for example, the current figure would be approximately 1100 euros net per month. The European Parliament has also called for a so-called shopping basket as the basis for the complementary determination of an amount that would secure people's livelihood and ability to participate in society—this too would currently amount to 1100 euros net for Germany.

5. What is a social dividend, and what is a negative income tax?

In principle there are two forms of basic income, the *social dividend* and the *negative income tax*. They differ in their form of disbursement.

The *social dividend* can be a form of basic income if it meets the four criteria for basic income. Its special feature as a form of payment is that it is paid to everyone in its full amount before any fiscal assessment of income or wealth. Taxes are separately levied and collected. The German term *Existenzgeld* (money for living) likewise generally signifies a social dividend as basic income. The first call for *Existenzgeld* in the Federal Republic of Germany—or for any form of basic income—was made in 1982 by independent initiatives for the unemployed.

The *negative income tax* is another form of basic income, but only when it fulfils the four criteria for basic income. It couples the payment of basic income with fiscal testing (this is not socio-administrative testing) of income: in principle, everyone has a legal right to basic income to begin with. Income other than basic income is taxed according to the respective applicable tax liability. The amount paid in taxes is then applied against the claim to basic income. Whoever has an income tax that places them above a certain threshold does not receive any payment of basic income. Whoever is under this threshold or has no taxable income receives a cash benefit from the state, which is known as negative income tax.

On balance, those entitled to basic income end up with the same net amount of money available in their wallet as with the social dividend. This can be compared with an exchange of money between two debtors. Imagine that the first person owes the second twenty euros, while the second owes the first forty euros. In actuality, only twenty euros will be exchanged—nobody would first pay twenty euros to the other person, then take forty euros from them. The two debts are settled at the same time. Now substitute the political community for the first debtor, which owes the individual basic income, and the taxpayer for the second, which owes the political community taxes.

However, a *negative income tax* can be and often is used as a *combination wage*, thereby expanding the low-wage sector. Low wages will thus be subsidized through tax revenues, if minimum wages do not prevent low wages.

A negative income tax can also be tied to employment or to an obligation to work. This form of negative income tax is, however, not a basic income. A negative income in which spouses are assessed jointly for taxes is also not considered a basic income, as this negative income tax is not individually guaranteed, but rather is dependent on the spouse's income.

6. *The definition of social allowance/basic security*

Here is a brief explanation of another form of minimum income—the usual form to date: a *social allowance*, often also referred to as *basic security*, is a minimum income to which a person is only entitled after socio-administrative means testing (generally also testing of the income and wealth of members of the so-called “community of need”, that is, the household). That is to say, only poor people receive it. The *social allowance* or *basic security* is considered the ultimate social safety net. For a person to receive a social allowance, however, additional conditions beyond demonstrating poverty also apply: for example, for those who are able to work, it is generally tied to an obligation to work and to another service in return, as is the case, for example, with social allowances for job-seekers. The collector of such benefits is threatened with sanctions or benefit restrictions as a consequence of inadequate fulfilment of return service obligations or rejection of an offer of employment—that is, with the denial, reduction or complete cancellation of the monetary payment by the social security authorities. But social allowances for those unable to work are also tied to certain services in return or certain conditions, such as poverty.

7. The history of the idea of and grounds for basic income

To date, the history of the idea of basic income has been known in Europe only for Europe and for North America. Some of these historiographies have objectionably mixed proposals that ground a basic income with ideas for minimum provisions for the poor that emerged during the centuries in which poor relief was secularized, and exist in continuity with today's repressive social allowance systems. In terms of historiography of the idea of basic income in Europe and North America, Thomas Spence can be considered the originator of the idea of basic income. In his 1796 work "The right of infants", he invoked natural law as a foundation for the first argument for what we now know as basic income. In the nineteenth century, there were many pioneering thinkers who argued for at least a partial basic income, also primarily using natural law arguments. In the twentieth century, a near-countless number of writers—primarily men—argued for the idea of basic income. The substantiations for basic income became ever more varied: today there are liberal, libertarian, republican, Christian, feminist, ecological, humanist, socialist and communist approaches to it. Accordingly, different social and overall political objectives are also connected with the different basic income concepts. These different objectives are usually discernible in the concrete design of the basic income itself and the concrete design of the overall basic income concept – and the same holds true of the concrete approaches and concepts for an ecological and resource-conserving mode of production and way of life that are discussed in the degrowth movement. Neoliberal and market-liberal concepts occupy little to no space in the two movements. Thomas Straubhaar is an illustrative example of a representative of the German neoliberal basic income debate, while Meinhard Miegel represents a neoliberal argument that is critical of growth. Both of them stand for a visibly market-liberal socio-political approach of social cutbacks and state cover for a society in which the capitalist market is able to absorb all areas of society without restraint.

8. *What issues are discussed in connection with basic income concepts and approaches?*

The following is not intended to offer any answers to the questions posed, but rather to give an overview of the levels of discussion that are connected with basic income. The aim here is also not to discuss the questions in order to find answers. Rather, this description aims simply to elucidate the breadth of the debate that is associated with the basic income discussion.

In the international basic income movement, *first*, approaches to basic income are discussed with different geographical scopes: namely, basic income as a global, regional, national and local project. The short time available does not, however, allow for concrete approaches to be addressed in detail. These range from the global ecological taxation of environmentally harmful emissions and distribution of a mini basic income to all people to partial basic incomes in regional currencies; in both of these cases, the payment would be topped up to a sufficient level depending on national circumstances. Basic income concepts generally tend to relate solely to the national level. It is clear to everyone versed in basic income, however, that it can only function as a global social right unless one wishes to deny people the right to global freedom of movement, as is the case now.

Second, the basic income debate is tied to the discussion of another concept of work, a concept of work that incorporates all unpaid activities: care work, work done for personal fulfilment, civil and political engagement, education as work in itself. These other realms of work are thereby to be taken into consideration and valued more. Such debates are also linked with an expansion of the concept of the economy: the economy is something that is put on by all of society to meet human needs of sustenance and quality of life. Particularly in the feminist, post-patriarchal and subsistence-oriented debate, a broad concept of work and a comprehensive definition of the economy are being asserted in connection with the basic income debate.

Third, particularly in organisations and groups that are critical of capitalism, basic income is connected with the reclaiming of the commons (common goods) and a

radical democratisation of production and distribution. The question of property and power is thus posed very clearly. Debates about an economy rooted in solidarity are also connected with questions of basic income.

Fourth, the following labour market and social policy questions are posed in the basic income debate: what is the effect of growing digitalisation and automation on labour market processes? How is basic income connected with combatting poverty and precarity? How can basic income concepts be connected with social insurance and with the expansion and democratisation of public infrastructure and social services—or with growing demands for reduced working hours and greater control over one’s time?

Fifth, the basic income debate is also closely tied to the question of funding and taxation, not only in terms of basic income itself, but also with regard to funding for all public expenditures and the fundamental redistribution and reallocation of societal wealth. The question of the character of money and of other forms of currency besides the usual forms is also posed frequently. The key terms here are regional currency, depreciating currency, etc. A basic income in a non-monetary form, that is, as free access to the means of subsistence and of securing participation in society, is also discussed.

Sixth, fundamental questions of justice and achievement are discussed in the basic income debate: What is an achievement? Whose is it and can it even be ascribed to an individual at all? What notions of justice underlie the right of every person in the world to basic income, from the cradle to the grave? Another outstanding feature of the basic income debate is the concept of humanity discussed in it: are people only motivated by the carrot of “payment” dangling before their self-interested noses, or do human beings by nature wish to act in a way that has meaning, receives recognition and demonstrates solidarity?

Seventh: at many conferences and in action groups, the connection of the ecological shaping of production and ways of life, post-growth society, degrowth, etc. with basic income is discussed.

Eighth: various political scientists, politicians and activists are discussing the necessary connection between living, genuine democracy and unconditional, adequate security through basic income.

And *ninth:* for years the topic of basic income has been discussed under the heading of global social rights and the right to freedom of movement. This issue has come to a head in view of the so-called refugee crisis.

We can see that the basic income debate is not an isolated debate, but rather is multifarious and is to varying degrees tied to different areas of focus, just as the basic income scene is to varying degrees positioned and networked globally, regionally and nationally.

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