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Shaping the new world of work – The impacts of digitalisation and robotisation

Panel 16: Basic Income

Participants:

- Henning Meyer, LSE
- Danièle Meulders, ULB - PRESENTATION
- Philippe Van Parijs, UCLouvain

Discussant: Plamen Dimitrov, CITUB and Conny Reuter, Solidar

Moderator: Montserrat Mir, ETUC

Reporter: Maria Jepsen, ETUI

Basic income is being proposed as a way forward in order to deal with the many challenges Europe is facing, e.g. technological unemployment, varied statuses on the labour market, inability of current welfare state to tackle poverty appropriately etc.

Henning Meyer, Social Europe, kicked off the session by rejecting the idea of a basic income as a way to tackle technological unemployment, and this for 5 main reasons.

1. One cannot reduce work to income
2. Inefficient use of public money as most people won't need it and you cannot reclaim everything via taxes
3. Will not reduce inequality, but merely shift it, as inequality is a relative measure
4. Difficult to implement in a EU with free mobility
5. Comes with the abolishment of the welfare state

A better proposal would be a job guarantee, as this proposal would respect the current social values, it would be an efficient use of public money, it would be an additional policy to create employment in areas where it is needed. It maintains the idea of the social market economy.

Danièle Meulders, ULB, looked at the proposal of a basic income from a public finance and gender perspective. From a public finance perspective she has undertaken research that displays the costs would be so high in Belgium that in order to finance the scheme one would need to tax the 1st euro earned at 50%. The price tag in many of the configurations is too high. She sees some advantages in the proposal as it is characterised by universality, individualisation and unconditionally. This would be a progress for women as their relation to the welfare state is still tainted by lower access, less eligibility and lower benefits mainly due to their labour market attachment and the design of the social protection system. There is, however, also a great danger attached to the proposal and that is the potential impact it could have on women's labour market attachment. Women's advancement is linked to the

labour market participation, women's power in the household is linked to own income. As the basic income could have a strong impact on women to stay at home and that time surveys show that housework is completely gendered, there is the danger that basic income could reinforce the traditional gender arrangements.

One should be careful when discussing 'choice' and 'happiness' – choice is mostly a constrained one and happiness is impossible to measure. And while a basic income could increase household utility, it would not necessarily increase the woman's own personal accomplishment and happiness. Hence there are positive elements attached to basic income, but one needs to be careful with the design so as not to get unwanted effects.

Philippe Van Parijs, UCLouvain, stated that the basic income is a radical proposal for a free society and sound economy.. He classifies the basic income in the grouping of Social dividend model and has three main characteristics: unconditional, individual and universal. The current proposal put forward in Belgium amounts to 600€ per adults and 300€ per child, this would amount to 24% of GDP. The unconditional floor would enable the social insurance to function better and be more individualised.

The impact on wages cannot be foreseen theoretically. Wages will increase for some groups and decrease for others, however the basic income will enable you to grasp opportunities because you have a floor of income, it will get people out of the poverty trap and allow people to quit 'bullshit' jobs and take up something more meaningful. It also takes into consideration that we might not want to produce more, not only in the perspective of robots, but also in the light of climate change, secular stagnation. There is no doubt that we are wealthier, and that we have had growth, however we still have precariousness and poverty. Debating and testing basic income is mobilising for a new utopia, it creates a new dynamism.

Plamen Dimitrov, CITUB, highlighted that the idea of basic income is not a new one, and that it is already implemented, tested and foreseen in various countries : Canada, Finland, Brazil and the Netherlands. He agreed with some of the arguments put forward by the previous speakers but not all. He agreed with Henning that work cannot be reduced to income, but then again a lot of work is precarious and hence a lot of work is constrained. Concerning the argument of likely reinforcement of gender roles, he highlighted that with robots and interconnectedness he was not sure how the gender roles would develop in the future, and whether gender will continue to take the same shape as today. He also emphasised that basic income was there to alleviate poverty not to decrease inequality. He was not sure of the argument put forward with regard to the scheme being too costly as there is enough to tax, and that we need to look at new ways of taxing. A job guarantee could be a form of income security, this would surely work in sectors like care, but in many other sectors this would not work. Finally, precariousness is increasing, and the two systems are converging, not because we especially want this, but because work is changing.

Marurice Classens, Solidar, said he was not a futurologist and that it is difficult to see where one will end up. Poverty is on the increase because of reduction of taxes as well as social protection and social assistance. It is more

important to look at upward social convergence especially as we are observing more and more divergences, hence when talking about basic income one needs to evoke the ILO 202 (?) on basic income security – this must be at the heart of the European Social convergence.

The audience expressed opinions both against and for basic income. In particular it was highlighted that it seemed useless to give money to many that did not need it in order to eradicate poverty, and that while allowing for Basic Income we meanwhile allowed precarious income from work and in addition ask the government to subsidise this trend. What is important is to stop the trend of precarious work – it is possible to have good regulation in a digitalised world. It was also mentioned that basic income included difficult trade-offs, that reciprocity was an important concept for solidarity and that one could not neglect the issue of fiscal position. Other questions were raised with regard to whether basic income would redistribute wealth, be key to reducing working-time, and that the financing issue was key in order to establish whether it would be capital or work that would pay for it. The question of open borders as also raised, this was however refuted as being an issue from the speakers.

In conclusion: the idea of basic income is again being discussed as a way of dealing with poverty and the growing precariousness in the labour market. There was no definite convergence in opinions as some see the basic income as a way of freeing individuals while other see it as a way of subsidising precariousness.