

Ralph Kundig, President of BIEN-Switzerland

An unconditional basic income is a logical response to how the economy is evolving

An unconditional basic income (UBI) for everyone, the subject of a popular vote in Switzerland on 5 June 2016, is - according to Ralph Kundig - the logical response to developments in the economy. These imply less and less connection between employment and the economy, and consequently between employment and the social safety net. Ralph is the president of BIEN-Switzerland, the association fighting to introduce an UBI in Switzerland

Ralph Kundig <u>Published on Friday, February 5th, 2016 on LeTemps.ch</u> (FR)

Big data, learning machines, digitization, open source: all are developments which threaten jobs, even highly qualified ones. Unemployment is rising and social security costs are mushrooming, with fewer and fewer workers to pay for it and feeble economic growth. The way things are going means that neither the economy nor social security can any longer remain dependent on employment.

We are already seeing that salaries no longer bear much relation to the usefulness of the work done. The proportion of the population whose revenue is derived from work is a mere 40%; all the others accomplish tasks which are equally necessary to value creation but are unpaid, such as caring for family, learning, volunteer work or art and culture. In the 21st century, the concept of paid work as the sole source of income, social integration and human value creation has become obsolete.

Logical response

An unconditional basic income (UBI) is the logical response to this partial decoupling of income and activity, an increasingly general phenomenon in developed societies. In Finland and Québec an UBI is planned, and in Holland trials will be carried out. In the US Y Incubator is launching a study, and in France the Conseil National du Numérique (responsible for policy involving digital technologies) has presented the government with a report stating that an UBI may play a crucial role in coping with automation.

An UBI is a monthly sum, sufficient to live on in dignity, given to each person individually without any conditions or duties in return and independently of any other income. It is a recognition of the right of each person in society to a life in dignity, whatever his or her income, and brings with it new individual freedoms and responsibilities. It implies a radical simplification of social security while finally rooting out poverty, all without stigma, nursemaiding or social controls. The UBI strengthens employees' bargaining position and eliminates underpaid jobs. It encourages entrepreneurship, education and family life, and improves productivity by allowing workers to choose where to devote their efforts. At the same time employers no longer bear any responsibility for providing what people need to live on.

Not a burden on the economy

The text of the initiative purposely leaves the amount of the basic income open, so that it can be increased or adapted to the cost of living. It does however lay down that the UBI "shall allow the whole population to lead a life in dignity and take part in public life". The federal government has noted that the proposers of the initiative have suggested an amount of 2,500 francs per month, with the understanding that it should replace only the first 2,500 francs of any social security payments.

The UBI is not a burden on the economy because it is not the income itself which is new, but only the fact that it is unconditional. As the economics professor Sergio Rossi has written, "Fundamentally, we're just talking about a simpler redistribution of the national income". So there is no need, as has been falsely stated, to raise roughly 200B francs more annually, but simply to decide on the best way to transfer the equivalent portion of the value produced.

The initiative creates no danger of general reductions in social security. On the contrary, public pressure on politicians for a sufficiently generous UBI will be much more powerful than what small isolated groups of beneficiaries can exercise for individual social security benefits.

On migration no effects need be anticipated, since Switzerland is already extremely attractive. Immigration will be controlled as today by means of admission and residence permits. And a representative opinion poll shows that only 2% of people would choose to stop working if they received an UBI.