

BASIC INCOME EARTH NETWORK (BIEN) CONGRESS 2023
OPENING REFLECTIONS
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Hallo BIEN delegates, both here and online. An nyong ha se yo. What a treat to be here. Such a privilege!

When I was invited to give the opening address, I wondered ‘What could I talk about?’. However, I realised that, even after more than three decades in the business, I am still learning new things that I can share with you.

I also had the privilege of attending the first of the current wave of Basic Income conferences, in September 1986, in Louvain-La-Neuve, Belgium, organised by the *Collectif Charles Fourier*. I have been reflecting on how things have changed over the last 37 years.

First of all, ‘Who were we then? Who are we now?’ Twenty-five papers were presented in 1986, of which four were by women. All the presenters hailed from 10 mainly northern European countries. This year some 140 papers will be presented (including those in the Plenaries), and at least 28 will be given by women, which represents a slight increase in presentations by women. Presentations are coming from 26 different countries and every continent is represented.

Now, as in 1986, the majority of presenters this year would appear still to be university academics and other researchers from independent institutes from around the world. This is probably because other people find it even more difficult to obtain funding to attend. About 50 people attended the 1986 Basic Income conference and the General Assembly that followed, several of whom went on to organise and host subsequent BIEN Congresses. However, this year, we are privileged to welcome some elected representatives and others representing their political parties, in addition to literary critics, poets, a novelist and other activists. So, Basic Income is both worldwide and mainstream now. We are no longer merely a set of independent researchers, other academics and advocates. We are definitely a ‘Basic Income Movement’.

So, who contributes to this movement? Researchers and other academics have developed an academic structure, comprising a broad base of theoretical research, overlain conceptually by a layer of empirical research mapping the subject matter of the theoretical base. Our enthusiastic activists provide a very welcome third layer to the Basic Income movement, with the extremely important role of engaging with and persuading the general public and opinion-formers, policy makers and politicians, as to the desirability and feasibility of a basic income programme – informing, educating, and even entertaining the grass roots with one or two of our rare Basic Income jokes.

Academics and activists have very different skills and voice. The two communities are not only complementary. We need each other. We all would benefit from being more closely integrated, working co-operatively together, to ensure that we all sing from the same song sheet. Ideally, activists would root their advocacy in this academic structure

which has been developed over recent decades. The activists could also report back to the academics when their language is off-putting to the general public, which makes the activists' work more difficult.

I want to encourage our enthusiastic activists to put in the time and effort to do their homework and become better acquainted with this sound academic foundation. Not only will it give them greater authority in their advocacy, but it will help them to avoid some of the elephantine pitfalls that are waiting to entrap the unwary. Not doing so can undermine and even reverse their cause. The following pitfalls concern inaccurate use of terms in dialogue. I must confess that sometimes we academics are a bit lax in this respect, because we are usually familiar with the context. However, members of the general public, for most of whom these ideas are new, cannot make these distinctions initially. So perhaps this plea should apply to all of us, to be more rigorous about our use of terms.

The definition is the keystone of the whole academic structure. Basic income is a simple concept, but difficult to define. Activists, please do not, in your enthusiasm, reinvent the wheel, or, in this case, create a new definition. Please use the BIEN definition provided on its website, which may not be perfect, but it is the best that we have at this time, having been most recently refined at the General Assembly here in Seoul in 2016. This simple act can help to avoid **Pitfall no. 1** – the frustration that occurs when people talk at cross purposes, and the confusion that arises when people use different terms to address the same concept or use the same term for different concepts. If you need a mnemonic to remember the definition, don't think of UBI, think of PCI-UUBI, that is, Periodic, Cash, Individual-based, Universal *and* Unconditional Basic Income. I shall be making the case for adding a third 'U' for 'Uniform' in my presentation in plenary no seven, in which case it might even become PCI-U3BI.

There is no set level for a Basic Income and the potential range is wide. Please avoid **Pitfall no. 2** by making it clear "To what sort of level of Basic Income you are referring, when predicting their potential outcomes", in order to avoid false expectations or accusations of misrepresentation. As our colleague, Toru Yamamori, asks 'Is a penny a month a Basic Income?' Yes, it is, but obviously it is not going to contribute much to the reduction of poverty.

A common error among enthusiasts is to assume that a Basic Income programme could replace all existing benefits. Much depends on the level of existing benefits and the level of the Basic Income payment. Even so, there is a place for other cash benefits to be introduced or retained, including:

- differentiation benefits (for people with disabilities, for instance),
- retained means-tested benefits (because BIs should be introduced gradually into an existing social assistance system);
- retained social insurance benefits; and
- benefits for which a Basic Income payment is not a good substitute, such as a welfare fund providing emergency payments for fire or flood.

Please avoid **Pitfall no. 3**, by not claiming that a Basic Income programme can replace the existing, cash-based, social security system. Say instead that 'Basic Income payments can be introduced alongside the existing income-tested or means-tested benefit system, and either wholly or partially taken into account when entitlement is being calculated.'

In this way, some recipients may be floated off the means-tested benefits. Situations have occurred when claims about replacement have led to opponents of Basic Income programmes withdrawing the whole means-tested benefit system before the Basic Income payments were introduced and without ensuring that they would be of sufficient amount to cover the means-tested benefits, that they are supposed to be replacing. Talk of replacement opens the door to political opportunism.

Another common pitfall, again when extolling their outcomes, is that of failing to distinguish between a Basic Income Programme, comprising only the cash payments, and a Basic Income Scheme which includes its recommended sources of finance. Some of the anticipated financial outcomes, such as a reduction in income or wealth inequality, or work incentive effects, may be more dependent on the source of funding than on the Basic Income payments. Please avoid **Pitfall no. 4** by always making it clear whether 'Basic Income' refers to a 'Basic Income Programme' or a 'Basic Income Scheme'.

A major pitfall opens up for advocates who do not understand the difference between an instrument and a policy objective. *A Basic Income programme is not a policy objective.* I repeat. A Basic Income programme is not a policy objective. It is an instrument which will normally lead to identifiable outcomes. However, it is a key foundational instrument, which, together with other instruments, could form part of a strategy to achieve a set of carefully specified and prioritised welfare objectives. Activists can often find it difficult to understand the difference. I suspect that, when most of us came across the idea of Basic Income initially, we conflated instrument and policy objective. I remember myself, on discovering the idea, thinking that a Basic Income programme was the end game. Further study revealed my error.

So please continue to be inspired by your vision of a transformed society, but remember: please avoid **Pitfall no. 5**. Do not confuse means and ends, and avoid using the term 'Basic Income' to describe a policy objective. Otherwise, it creates avoidable confusion, and false expectations.

It is often stated that a *Basic Income programme is not a panacea for all of society's ills*. We have already noted that it is not a policy object, but an instrument. Nor can it, nor should it, replace all other cash benefits, either in type or necessarily in amount. The sources of finance also play an incredibly significant role. We should also note that cash benefits and public welfare services are not substitutes for each other, but are complementary. Cash benefits are good for providing some kinds of satisfiers. Public welfare services are good for other types of provision.

Further, while a generous Basic Income programme could provide a transformative, foundation to people's lives, it cannot do this on its own. It is not the complete answer to "What sort of society would we like to help to create for ourselves and future generations?" A range of other supporting policies is also needed, such as, for affordable housing, public health and social care services, education and training courses, public transport, reduction in wealth inequality and carbon-reducing measures, among others, together with investment in physical, technological and social infrastructure. These would be necessary to bring about the societal changes to which many of us aspire, such as emancipation, the general wellbeing of the population, a just, united, inclusive society and a productive, flexible efficient labour market providing good work opportunities. I

like the insightful statement, 'Basic Income does not solve the world's problems, but it makes the other problems easier to solve.'

The second layer of Basic Income work is the growing evidence from **empirical research** that maps the relevant topics of the theoretical structure. Basic Income research often uses two special types of empirical method, corresponding to a Basic Income programme's outcomes occurring in two stages. The first stage would lead to a change in a recipient's financial situation. This would then enable the secondary, attitudinal and behavioural, changes to occur. For instance, the non-conditionality characteristic would allow more choice about how we spend our disposable incomes and our time.

The first empirical method is that of computer-based, tax and benefit microsimulation thought experiments. The second comprises Basic Income pilot projects. Each starts with a sample of subjects, which will typically provide social characteristics and demographic data. Each method generates a database that can subsequently be analysed, using standard statistical and other techniques. Each method has its strengths and weaknesses. Neither can predict the long-term effects of Basic Income systems.

The microsimulation analysis comes logically prior to pilot projects, because it explores the immediate financial effects of proposed taxation and benefit changes on disposable incomes, using data from an existing population sample survey. It can calculate gains and losses, identify who is affected, and how many individuals or households. From these data, it can calculate the gross and net costs of Basic Income schemes, *reductions in poverty*, and the values of *income inequality measures* before and after the changes. Some tax and benefit models also include the software necessary to test hypotheses about the *work incentive effects* of Basic Income schemes. The costs of developing and updating a tax and benefit model each year are not cheap, but they are much cheaper, and the results are obtained much more quickly, than those of Basic Income pilot projects.

The second stage, an empirical Basic Income pilot project, is used to examine the attitudinal and behavioural effects that are enabled by the initial financial changes created by the Basic Income scheme. It should always be preceded by a tax and benefit microsimulation analysis. The pilot project creates its own primary data from its sample subjects. It can take six to seven years from the initial planning of the project to the dissemination of the results. The gross costs of Basic Income outlays are extremely high, and it really behoves the research team to gain as much extra useful information from the project as possible for future analysis, because the marginal costs of doing so are relatively small.

Why are Basic Income pilot projects carried out?

- To educate the public;
- To create publicity;
- To test hypotheses about the effects of different levels of Basic Income payments.
 - Do they lead to the anticipated, potential, simultaneous, beneficial outcomes?
- To test hypotheses about the effects of Basic Incomes on different groups of recipients.

- To test hypotheses about the effects of different sources of finance, about which we tend to be much less well informed, compared with the effects of different levels of the payments.
- To demonstrate the financial and administrative viability of Basic Income programmes in practice.
- To dispel such myths as “Recipients will just spend all of their Basic Income on alcohol and tobacco” – which in fact is a symptom of dysfunctional poverty, which a generous Basic Income could help to dispel.
- To check for unintended consequences, such as “Will a generous Basic Income programme lead to a large number of free-riders?”

Confusion sometimes occurs. For example, testing whether a Basic Income programme might lead to a *reduction in full-time employment*, is often confused with the very different question of testing whether it might lead to a *reduction in Unemployment*, via a concept called the Reservation Wage, below which it is not worth an unemployed person working for pay, about which far less is claimed.

I have a concern about the use of a level of Basic Income payment in a pilot project that is obviously too high to be implemented nationally. There are natural constraints on the maximum level of Basic Income payment that an economy could finance, which are imposed by the income distribution of that economy. These constraints can be gauged by comparing the proposed Basic Income level with either income per head, or GDP per head. For instance, maximum levels of 25 to 30 per cent of GDP per head have been recommended. Although using even higher levels of Basic Income payments in a localised project may be good for publicity, surely the possibility of damaging the reputation of the Basic Income movement by raising false expectations, leading to accusations of misrepresentation cannot be dismissed?

I have another concern about the omission from a pilot project of any source of funding that could be implemented nationally. Surely this will give only a partial, and essentially misleading, picture of the effects of a Basic Income programme? And, yet, there are enormous practical problems to overcome in an empirical pilot project when trying to impose a different taxation regime onto a random set of sample-subjects from the rest of the population, even when the tax authorities co-operate, although it might be slightly easier with saturation sites. Might we gain a more accurate picture from a low level Basic Income scheme introduced nationally, than from limited pilot projects?

I am hoping that some experienced statisticians, who have been involved in the setting up of Basic Income pilot projects, will be able to enlighten me about these concerns.

And what of our critics? Some of the most troublesome critics argue from the advantage point of complete ignorance about Basic Income, raising all sorts of straw men to be shot down. Those critics who have done their homework, putting in the time to study our subject so that they at least know what they are talking about, deserve our respect, even if not our agreement. By the same token, it behoves us to do the same for our critics, and to do our homework. Two ideological groups come to mind – right-wing ‘neoliberals’, and left-wing ‘labourists’ (for whom ‘work is what gives meaning to life’). What are their values, assumptions and fears?

The combination of potential simultaneous Basic Income scheme outcomes, including community, equity, choice and efficiency, appeals to those both on the left and on the right of the political spectrum. 'Basic Income is neither left nor right, but forward'. The added advantage is that discussions with our critics enable us to polish our arguments more effectively.

We all should be aware of polls which ask people about their preference for a minimum income guarantee. We should challenge any claims that this is a vote for an income-tested benefit with that name, because the population might have thought that they were voting for a Basic Income, which could also be classified as a minimum income guarantee.

Also, activists should be aware of vague words. An eminent British economist has written: 'The problem with Basic Income is that it will be too small to be meaningful and too large to be affordable.' It is left to the listener to interpret the non-specific words such as 'meaningful' and 'affordable' (which is never defined). I think that what he meant was: 'The problem with Basic Income is that it will be too small to be meaningful to rich people, and too large for them to be willing to accept the losses resulting from the required redistribution.' However, Basic Income only needs to be 'meaningful' to the *poorer* half of the population.

So, what next?

The world has suffered several (mainly man-made) crises in recent decades, some of the effects of which a Basic Income could have lessened. The climate emergency, leading to even more extreme weather patterns and the risk of human and other species extinction, is still the most urgent and challenging crisis to date. A World Basic Income scheme could help to bring about justice between nations. It could provide some security for all during the difficult times ahead and could be part of the rich world's reparation towards the poorer countries whose lives have been blighted by global warming. It has also been shown how a Basic Income Scheme could act as a peacemaker between warring factions.

Now is the time for activists to direct tailored messages to targeted audiences, especially opinion-formers, policymakers, and others, including:

- Ministers, government departments; national treasuries, central banks;
- parliamentarians, civil servants, other elected representatives;
- academics, think tanks, civil society; the charitable sector;
- trades unions and businesses; religious organisations; critics; and
- the general public – the grassroots.

The main aim of activists should be to create an informed public who, in turn, will demand a Basic Income programme. The informed public would not only persuade, but could educate their elected representatives, who would then feel confident enough to argue for it in public.

I am immensely proud of the fact that in my own country, engraved on the new mace (our sword of state) in the Scottish Parliament are four values to which the Scottish people aspire for their elected representatives – integrity, compassion, wisdom, justice. There are some acts and institutions that bring out the best in people – they raise up the

good. I definitely think that a Basic Income programme is one of these. But, it will only work if underpinned by a deep compassion for humanity (and other species) – not just for one’s family and friends, but for one’s neighbour, and the stranger – and even the enemy. We are often exhorted to love the person, even while abhorring their deeds. We should be able to look at the most despicable, wretched or evil person and say, ‘I may not like you, or agree with your values, but I will not judge you, and I respect and care about you enough as a fellow human to want you too to have the blessing of a basic income’.

Lastly, I want to thank our wonderful Korean hosts.

Delegates from the Republic of Korea have only been involved in BIEN Congresses since about the year 2010. In the short time since then, you have become leaders in many aspects of Basic Income. You have already hosted the BIEN Congress in 2016 and have carried out an extensive experiment with 24-year-olds in Gyeonggi-do Province in 2019-20. In 2021, the publication of the English edition of *Basic Income: for Everyone’s Economic Freedom*, edited by Senior Researcher Young Seong Yoo, with contributions from seventeen of Korea’s most eminent specialists on Basic Income, shared the state-of-the-art of Basic Income research in Korea with the rest of the world.

An amazing range of institutions dedicated to Basic Income has also sprung up in Korea. This Congress has been organised by the Basic Income Korean Network, and co-hosted with four other institutions, together with members of the Local Organising Committee which comprises another thirteen organisations, of which at least eight had the term ‘Basic Income’ in their title. We thank you all for this inspiring conference and look forward to your work reaping its rewards with a positive outcome of ‘Basic Income in Reality’ in the not too distant future.

Kam sa ham ni da. Thank you.