



Strong Models versus Weak Models of Basic Income in Catalonia

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Abstract

I propose to present a paper with the title *Strong Models versus Weak Models for Basic Income: a study on its application in Catalonia - Spain*, which consists of a short summary of my work *Basic Income in Catalonia* completed in January 2002, as a study that intends to explore the possibilities and limits of establishing basic income (BI) at a Regional Administration level. It also intends to offer an explanation of BI, articulating its often many conflictive sides: its ethical justification and financial viability process; its impact on the labour market and on the public social system; its income redistribution nature with its potentiality to transform capitalism. In the study the differences between strong and weaker models of BI are established and explored. Also, it is considered that the social roots of the movement for BI are a crucial variable to take it into account. Therefore attention is given to the evolution of the social movement for BI in Spain.

1. Introduction

“The different tendencies on the left should not underestimate the subversive strength of Basic Income to fight against capitalism”.

The idea of Basic Income is becoming known and is growing in many European countries. Among them is Spain, where my impression is it has developed more rapidly than in most other European countries. In this country most social and political agents and activists, though not yet the general public, have become very familiar with the expression and concept and have introduced it into the debate about social policy: some people consider it to have already been established in the Basque Country;¹ it seemed that the Socialist Party was going to introduce Basic Income in its program for the next general election in 2004, leading other minority political parties to consider the issue as well; and, more relevantly, in February 2002 it was formally presented by two minority parties as a legislative proposal for approval in the Catalanian Parliament. As expected, because of the conditions in which it was presented² the proposal was widely rejected allegedly because it was “unrealistic”. Nevertheless, Basic Income (BI) is becoming a familiar expression in the Spanish social and political sphere.

This expansion seems to require a certain redefinition of what is understood by BI. We can see that very different demands come under the same name: some refer to a general minimum social allowance (*Revenue Minimum d’Insertion*, in French) as being BI, others make it the same as Negative Income (more or less *à la Friedman*), others consider that Basic Income should be awarded to those without work, letting the labour market provide for those that have a job, and so on and so forth.

¹ Spain constitutes a country politically divided into Autonomous Communities (autonomous regions) and each regional government has a Parliament and some legislative power.

² There was no information given at all to the general public or even interested parties that such a proposal was going to be made and the fact that it was presented was only known when the press mentioned it had been rejected.

Therefore, it seems that the time has come to clarify what should be understood by BI. For the first part of this paper I propose to go through briefly the different types of demands presented as 'Basic Income' in order to clarify what precisely is meant when referring to such a concept; first trying to separate what is BI from different concepts and then classifying BI models. In the second part of the paper, I shall summarise very briefly the work I have carried out on the possibilities of implementing what I define as a Basic Income Strong Model for Catalonia. Finally I shall refer to the importance of the active participation of social movements for BI to constitute not only an improvement in the material conditions of the population but a very relevant and important instrument towards a better society.

2. Models of basic income

*“There are too many philanthropists and too much charity in human society. Let us move on to justice”
(Pedro Kropotkin).*

2.1 The strong model of basic income

As is known, the right to BI presents three fundamental features: it has to be individual-based, universal and unconditional. Unless these three features are satisfied, it would not seem that any social entitlement could be considered fully to be BI. Other concepts may reflect other very legitimate social allowances or subsidies, but they do not constitute what we define and support as BI.

Moreover, one of the main aims of BI is to allow citizens to have an income sufficient to cover basic needs. It means that the level of income has at least to be enough to avoid poverty. Therefore, for a BI to fulfil its objectives the level of entitled income should be the same or higher than one of the different measures that are used to indicate the poverty level. In our work we have taken as the

indicator for poverty the one used by the OECD and the EU, which defines the poverty level as being 50 per cent of a country's per capita income.³

For our strong BI definition, another element is added. BI is aimed to cover the population's material needs, but not all such needs can be solved at an individual level, requiring as well the existence of collective goods. For this reason we include in our concept of BI a certain *proviso* to strengthen the supply of public goods, devoting to them a part of the personal allowance of what constitutes BI, while leaving the main part at the disposal of the individual. With this characterisation, different objectives are satisfied: not only is the provision of collective goods catered for against the present trend in favour of individualism, but also the impact of BI upon investment is solved, as I will show below; and, more importantly, it constitutes an interesting instrument to motivate the democratic participation of citizens in collective decision-making. In our strong model, we consider that 10 per cent of the BI Fund should be devoted to financing collective goods (health, education, housing, transport, the environment, infrastructure, and so on).

Therefore, the *BI strong model* is determined by being:

The three main basic features:

- § for each individual person, not families;
- § universal, in a double sense: for everybody and non-contributory;
- § unconditional, regardless of any other disposable income and the person's past and present employment situation.

And, we can add to these features:

- § that the amount per person will be that equivalent to defined poverty threshold: in our case, 50 per cent of per capita income;

³ There are different poverty indicators. Sometimes 60 per cent or 50 per cent of the median income is also used or some other measure. The point here is not to discuss the relative value of the different measures but assert that the level of Basic Income has to be situated above or at the poverty level, regardless of its precise definition.

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- § that each citizen will receive the same amount of income;
 - § that the total amount of BI will be divided into two parts: one, the main part, received directly by each person; and the other, the smaller part, devoted to investments of a public nature.

This model of BI means, on top of all its general advantages, that it will eradicate poverty -since it is above the poverty line-, improve income distribution and avoid increasing the power of the state and its institutions upon the citizen as it does not require any other monitoring outside of existence. BI greatly reduces bureaucratic controls and, more importantly, may ensure citizens' participation in the management of the collective part of BI. Also in a period in which public social systems are required to modernise and change, BI may constitute a crucial pillar for the development of a complete alternative system of public social security.⁴ With this type of BI, the person 'becomes really free as opposed to being formally free, because the means to do what one wants are provided for and not only the right'.⁵

In our view, it is to this model that the demand for BI should be oriented. Even if its implementation is more difficult than that of the weak models, it seems worth trying to implement it to maintain the true sense of BI: BI is a citizens' right regardless of the economic and social wealth or poverty of the different members of the population. Moreover, it must be taken into account that in the rich countries the level of wealth that has been attained allows for such a redistribution of the social wealth even if very powerful vested interests are unwilling to accept it. BI aims to constitute a new paradigm of income distribution with a principal and important part being distributed merely depending on citizenship and not wage labour, or even the ownership of resources. And it is not, nor should it be considered as a mere last-resort welfare⁶ measure to alleviate extreme poverty.

⁴ Despite the direction in which the changes to social-security systems are recommended to go being directly opposite to the developments implied by Basic Income.

⁵ Philippe Van Parijs, *Libertad real para todos*. Paidós. Barcelona 1996; My translation from Spanish.

⁶ By "welfare" here we are meaning a social assistance minimum allowance.

While social relations are of a capitalist nature, the least that should be required is a fairer distribution of the socially produced income than takes place today.

2.2 Weak models of basic income

The models classified here as weak are those that modify one or several of the basic features of the fundamental definition of BI: either because BI is granted to only some citizens or requires a means test - thus breaking the principle of universality- or is given to the family as a unit - eliminating its individual-based character- or because it demands some counterpart from the recipient, thus eliminating unconditionality or some other varieties that go against all the three fundamental principles. Also some social-subsidy programs provide such low income allowances that they keep beneficiaries below poverty level, making it impossible to consider that they cover their material needs. Negative Income (NI) and RMI, although different in nature from BI - the first one being connected with work and the second one being a welfare measure - might also be considered among such weak models but so might other varieties when “BI” is proposed to cover only part of the population or grant different subsidy levels for different categories of citizens, etc.

Just a further remark in order to point out that many allowances and subsidies granted by or demanded from the state or other public institutions do not even constitute weak models of BI. At present, the expression BI has become fashionable and often any kind of social allowance is branded as such, but they are only different social-protection schemes that sometimes even increase the stigma of poverty and unemployment.

Weak models of BI are substantially cheaper and easier to justify. Economically, it is obvious that fewer funds must be devoted to them (even if they are more expensive to manage since they require monitoring the whereabouts of substantial sections of the population) and socially, because most weak models are granted through means tests or require some counterpart or are limited to people going through particular difficulties. They are better accepted, since many people still consider BI to be a social-welfare policy instead of an entitlement to a

citizens' right and strong resistance exists among substantial parts of the population to "giving income for nothing".

It is difficult to evaluate the usefulness of the weak models of BI. Because they are easier to implement, they could constitute a first step in the process towards full implementation of BI, which requires the strong model. In this case weak models will lead to the strong universal model and their existence would be positive for it. It may be conceived that a gradual approach will develop beginning with weak models leading to a wider implementation of what must constitute a universal and undifferentiated entitlement if it is to be really considered as BI. On the other hand there is the great danger that weak models will substitute for the strong model and become permanent, leading to a social situation where the population will be "in equilibrium" with partial or weak models. This will represent a very great danger for the BI idea since it implies that the idea is dominated by its "welfare" character and "being granted to people in specific circumstances" instead of its nature as a citizen's right; furthermore, there would be a large chance that the amount granted would be very low and not cover the poverty level turning "BI" into a token allowance. Finally, in the event that a counterpart is required, the basic essence of BI will be perverted.

When assessing the relative merits of strong and weak models, another important element must be mentioned regarding the distribution of income implied and their relative political and social feasibility: It is obvious that the strong model of BI implies a very substantial transformation in the distribution of society's income. Table 1 shows an example of the changes to income distribution due to the strong BI model, taking the present Spanish situation as a basis.

It is clear that income distribution with BI alters the present situation very substantially. To demand BI according to its strong model is hardly compatible with present day capitalism. Therefore a very powerful anti-capitalist motivation is embodied in the conceptual basis of the strong model of BI. The strong model of BI is not a proposal to marginally modify the present social-protection systems, trying to make them "more human". Its implementation would require a deep economic, social and political transformation affecting all aspects of life. Is it a

“capitalist road to communism”?. Whether it is or not, it is clear that the option for a strong model takes the demand for BI far beyond that which capitalism seems prepared to absorb at the beginning of the 21st century.

Table 1. Income distribution in percentage of GNP with and without BI

	Distribution according to market	State intervention	Distribution With basic income
	(1)	(2)	(3)
Wage income	46.5	}	38.6
Capital yield	34.5		
State revenue #	7.6		
Fixed-asset consumption	11.4		11.4
To Basic-Income Fund		100.0	50.0
* Individual		80.0	40.0
* Collective		20.0	10.0
GNP at market prices	100.0		100.0
For investment (annual average 1993-1999)	21.0		21.4

Taxes on production and imports minus exports and import subsidies

Source: Own elaboration with data from *Contabilidad Nacional de España. Base 1986*. INE 1998.

Because of this, BI, in its strong version, may be considered as a very relevant instrument for radical change of the capitalist system. BI should try hard to avoid the reformist trap of legitimising capitalism. It is extremely unlikely that full BI can be achieved under capitalism but, looking at it the other way round, if the demand to transform the system is at its heart, the demand for a strong BI may become a powerful tool to reveal the limits of the capitalist system and further its transformation. With this interpretation, BI will not only be justified philosophically and socially along a liberal line (*à la* Locke, Nozick, Rawls, Parijs, etc), but may be itself fully politically justified as a relevant instrument to transform the capitalist system. In my view, the strong model of BI requires a radical social transformation to be reached and, at the same time, is an important instrument to advance towards such a transformation.

The interpretation of BI as an instrument for radical change increases its role as a mechanism of social participation and activism. If the concept of BI should already encourage many people to push for it - unemployed and poor people seeking a more decent subsidy, women without jobs seeking freedom, trade unionists observing the difficulties workers have in fighting for their rights, leisure-preferring workers wishing to sacrifice money for free time, ecologists fighting against indiscriminate growth and so on and so forth - many others could swell their ranks due to the idea of a radical change. We are living a period of an important revival of social movements willing to move towards building an alternative world. The help the strong concept of BI could provide should not be ignored. The value of the BI concept for social movements should come to the fore. BI implies a variety of common interests that could serve as a starting point for a united movement. And helping to materialise a collective movement might be an important social role of BI: “the critical potential of social change is more focused on the possibility of launching a social movement than what the movement can achieve for itself... For those people who want to transform society, the instruments of collective action it consolidates must be more important than the partial results they achieve”.⁷

However, with regards to the different outcomes, it is still more important that society and especially social agents and activists are very clear about the differences between the models and their respective objectives and options.

2.3 On the path to basic income

Until now, the only models of BI that have been implemented correspond to weak models (Canada, Brazil, the Scandinavian countries, etc). As far as I know, in no country has the full model been tried or achieved.⁸

⁷ Robert Cox. *Production, power and world order*. Columbia University Press. New York 1987.

⁸ Ecologists and libertarians are among the most sympathetic groups towards the Basic Income idea but no specific implementation project has yet to be proposed. On the other hand, trade unionists show great reluctance regarding the BI idea.

In Spain, in the *Manifiesto Ideológico* of the Spanish Socialist Party,⁹ a very similar model to our strong BI Model was presented, but when the mechanisms proposed to implement it were reviewed¹⁰ quite a number of limitations to the concept could be found to be included: for instance, BI is only considered in the long term and presently only non-workers would receive BI while workers would receive a tax allowance at its value instead - implying that the market will provide BI and that the tax allowance somehow constitutes “basic income”-; other people have proposed that some counterpart should be ensured in exchange for basic income; for yet for others, NI is equated with BI; and so on and so forth. It is difficult to classify such proposals because information is limited and ambiguous. Ambiguity that may well be calculated since the elections are still far away and there is no need to burn bridges yet. It must be added that if in 2001 it seemed that the PSOE was going to include BI as part of its electoral program, now, in 2002, it would seem that the idea has been frozen (to say the least).¹¹ However, assuming it follows the indicators known until now, the BI postulated by the PSOE would be neither unconditional nor universal.

Additionally, the evolution of social welfare in the Basque Country has been watched with great interest and some people consider that BI has already been established. In 1996, three social platforms against social exclusion started to demand a Charter of Social Rights that, among other things, could provide unemployed people with a decent level of income. Social movements led to the demand for a Popular Legislative Initiative¹² and, to counter this, the Regional Government¹³ passed a different Charter of Social Rights by which a ‘basic income’ is provided to all persons above 25 years of age that cannot find a job. It

⁹ Manifiesto Ideológico del PSOE. *Ciudadanía, Libertad y Socialismo*. El País, 3 de julio del 2001.

¹⁰ Full information does not yet exist and only bits and pieces are known.

¹¹ It may be that the Socialist Party has recognised for itself what we have described above about strong BI being incompatible with capitalism.

¹² In the Spanish Constitution when a certain (rather large) number of people require a specific legislative initiative, the Regional or Central Parliament must consider it according to the level at which it is submitted. It does not mean the proposal must be approved as in fact it very seldom has been, if ever.

¹³ For historical reasons the Basque Government has a more favourable tax system than the other regional governments.

guarantees a Basic Monthly Social Income of 75 per cent of the Statutory Minimum Wage with a maximum allowance for a family of three members of just below two minimum wages.¹⁴ This weak model of BI is the most advanced in Spain but in fact accounts to little more than the expansion of the previous unemployment allowance for people who had not previously contributed. Its very low level of income has led some social movements and unions to refer to it as “real public spare change”.¹⁵

Catalonia is another region where social assistance is fairly developed but lags behind the Basque Country and the main scheme somehow related to BI is still the RMI. The evaluation made does not rate it very highly: “[It] is a system responding rather to façade regulations in which appearance prevails over content”;¹⁶ and also, “in relation to the quantity awarded, it is a minuscule coverage; in its aim to alleviate poverty, it is a total failure; its ability to reinsert beneficiaries, very dubious; and in relation with the suppression of social stigma, almost imperceptible”.¹⁷ A more radical opinion is that of T. Negri: “being one of the forms of salarization of misery... a little money to allow the poor their reproduction without pestilence or social scandal”.¹⁸

3. Basic income in Catalonia

“Somebody will ask: how do you think such a multitude may be helped? [Because] what you say is all very well but how will you finance all that?” (Juan Luis Vives).

¹⁴ The guaranteed Basque Allowance resulted in 61,845 pesetas or 371 euros, and the maximum allowance for families of more than three members is of 110,000 pesetas or 661 euros.

¹⁵ On the content of the Charter of Social Rights and the debate that followed, see *Hika*, numbers 85, 87, 109 and 113. Also see “Resumen y valoración del proyecto de ley contra la exclusión social”. *Langile, esk-cuis*, Azaroa, 1997.

¹⁶ Catalonia Ombudsman. Report to the Catalanian Government. 1989, 153

¹⁷ José Adelantado y J.A. Noguera Adelantado. Informe sobre el desenvolupament i l'aplicació del PIRMI (1990-1996). In *Les desigualtats socials a Catalunya*. Fundació Jaume Bofill / Editorial Mediterrània. Barcelona 1999.

¹⁸ Toni Negri. *El exilio*. El Viejo Topo. Barcelona 1998.

In order to assess the possibilities of implementing Basic Income in a particular territory/region a study of what it would involve in Catalonia (Spain) was undertaken. The study was financially supported by *Fundació Jaume Bofill*, a highly respected Catalan foundation.

It is widely known that Catalonia is a region situated in the North East of Spain that has a clearly differentiated identity among the regions currently making up the Spanish State and has claimed so formally for a long time.¹⁹ After Franco's death, the 1978 Constitution for Spain established a system of Autonomous Communities giving all Spanish regions some decision-making power regarding their own affairs and therefore, at least nominally, the possibility of implementing BI may be considered.

Catalonia has six million inhabitants with a very low rate of population increase; it is the richest region in the Spanish state with a per capita income equal to the EU average and the economic structure of a fully developed country. Therefore, in economic terms, Catalonia is rich enough to finance a strong model of BI. The framework in which the implementation of BI is considered is the following:

First, the implementation of the strong model of BI as defined above is considered; since as we have already said other proposals exist and there is already some political discussion about them, at a second stage some scenarios for different weak models are explored. In Table 2, it can be observed that our BI strong model means benefits that are above most other social allowances that remain considerably below the poverty level.

Second, due to the financial importance of the proposal, its gradual implementation is sought. The period of implementation is considered to be twenty years. Gradualism means that BI will be legally accepted for all the population but will gradually be applied to sections of it until it covers the whole

¹⁹ In fact Catalonia was independent until the beginning of the 18th century when it lost its independence after a war with Castile. Since then, most Catalans have always reclaimed it with greater or lesser enthusiasm depending of the historical period.

population over twenty years. It is considered that the criteria to choose the sequence by which the population will be incorporated into BI must also be a social option with socially established priorities. In the Catalonia study, for example, and in order to be able to proceed (see Table 3) the selected groups of 300,000 people per year have been chosen giving priority to the people on the lowest incomes and in the worst social situations. Let us also add that gradualism allows the introduction of changes to economic policy, if necessary, for a better adjustment.

Table 2. Comparison between basic income and other social allowances: year 2000

Average amount in euros			Per cent of FMW
	MONTH	YEAR	
Disability	548	7'674	129.0
Old-age pensions	548	7'674	129.0
Widowhood	340	4'754	79.9
Orphanage	203	2'844	47.8
Family allowance	251	3'509	59.0
Average pension	477	6'681	112.3
Unemployment	433	6'058	101.9
RMI in Catalonia	286	3'426	67.2
POVERTY LEVEL (BI)	526	6'314	123.9
ACUTE POVERTY	263	3'157	61.9
FIXED MINIMUM WAGE (FMW)	425	5'947	100.0

Source: INE / Idescat

Table 3. Cost/financing of basic income in Catalonia: 2000 (in terms of the poverty threshold as per cent of GDP)

	POPULATION		COST		FINANCING
	Inhabitants	%	%	%	Items
FIRST PHASE	1'742'000	27.9	13.8	6.4	RE-ALLOCATION OF PUBLIC EXPENDITURE
Years 2002 - 2004	842'200	13.5	6.6	1.6	Subsidies and aid
Years 2005 - 2006	899'800	14.4	7.2	3.0	Companies and families
				0.2	Churches and NGOs
				0.9	Citizens' defence and security
				0.7	Other expenditure
SECOND PHASE	1'410'400	22.6	11.3	14.2	RESTRUCTURISATION OF WELFARE STATE
Years 2007 - 2008	521'100	8.3	4.2		
Years 2009 - 2010	189'300	3.0	1.5	11.2	Transfer due to social policies
Year 2011	700'000	11.2	5.6	3.0	Transfer due to employment policies
BENEFICIARIES 1ST AND 2ND PHASE	3'152'400	50.5	25.1	20.7	NEW TAX SYSTEM RESOURCES
THIRD PHASE	1'632'855	26.1	13.1	3.0	Harmonisation of direct taxes
				3.0	Harmonisation of indirect taxes
Years 2012 - 2013	597'348	9.6	4.8	3.0	Harmonisation of Social-Security contributions
Years 2014 - 2015	705'508	11.3	5.7	1.5	Assets and inheritance
Year 2016	329'999	5.3	2.6	4.7	Additional taxes
				5.5	Tax evasion
FOURTH PHASE	1'462'211	23.4	11.8	8.7	NEW TAXES
Years 2017 - 2018	505'836	8.1	4.1		Regional government, Savings banks, Foundations
Years 2019 - 2020	279'948	4.5	2.2	0.2	Foundations
Year 2021	676'427	10.8	5.5	2.5	Tobin Tax
				1.5	Investments in tax havens
					Others (empty flats, etc.)
				4.5	Black economy
				(25,0)	GROWTH
BENEFICIARIES 3RD AND 4TH PHASE	3'095'066	49.5	24.9		
TOTAL POPULATION	6'247'466	100.0	50.0	50.0	TOTAL FINANCING
(*) 0.5239*100 Church aid					
			Pesetas Month	Euros Month	
Poverty threshold 2000			88'000	526	

Third, we have stated above that in our strong model the level of BI will equal the poverty level as defined by the OECD and the EU. In order to avoid unnecessary complexities at this stage to cater for taxation, in our work we have considered BI as tax-free and the estimate basis has been shifted to the Gross Disposable Family Income (GDFI).²⁰ For Catalonia, in 2002, the amount is 88,000 pesetas or 526 euros; of which 480 euros are for individual disposal and 46 for collective decision-making. Both figures depend on the GNP and therefore will be automatically updated allowing for the redistribution of increased wealth and dispensing with all the very boring discussions about the percentage by which social allowances should be updated annually. Should GDFI shrink, the same would apply and BI would diminish proportionally as well. The payment procedures may be very varied but we consider that the simplest one is that the individually disposable income be credited monthly through financial institutions to each citizen from the very moment birth or residence is registered. For weak models an administrative procedure will be necessary.

Since BI consists of half per capita income for each person the wealth needed already exists. As has already been stated, the question is one of redistribution. However, financing BI constitutes the crucial point in its feasibility. To finance BI three main sources are considered. First, the restructuring of some social expenditure already taking place: some of it because it will be substituted by BI, - particular consideration has been given to the capacity of BI to substitute for the present Social Security system and its corresponding expenditure has been included-, other expenditure because it is considered unnecessary or of a much lower priority than BI. Second, a profound restructuring of the tax system is sought. As the level of taxation in Spain is considerably lower than the EU average (see Table 4), it would be raised to the average level. Third and finally, some other new taxes are either strengthened or newly established under the redistributive criteria that the richer would pay more.

It is always easier to finance reforms if there is growth, and the assumption of a specific rate of growth has been incorporated into the study. It is assumed that

²⁰ *Renta Familiar Bruta Disponible* (RFBD) in Spanish initials.

most of the growth estimated to take place during the implementation period -20 years- is redirected towards the financing of BI and correspondingly the financing of BI is made much easier. The real average growth rate for the period is estimated as 2 per cent per year and alternative ways of absorbing it to finance BI have also been explored.

Obviously such restructuring will have very considerable consequences on the distribution of income. It is very likely to affect prices and competition, the motivations to work, and it may have very serious consequences on investment, among other things. The consequences in such aspects have tried to be assessed.

Table 4. Aggregate fiscal pressure (taxes plus social contributions): 1999, in percentage of GDP

COUNTRIES	Indirect Taxes	Direct Taxes	All Taxes	Social Contributions	ALL AGGREGATE FISCAL PRESSURE
Sweden	16.6	22.2	38.8	14.0	52.8
Denmark	17.7	30.2	47.9	3.3	51.2
Belgium	13.1	17.7	30.8	16.7	47.5
Austria	15.1	14.0	29.1	17.2	46.3
Finland	13.7	19.3	33.0	13.2	46.2
France	15.7	12.0	27.7	18.3	46.0
Italy	15.6	15.0	30.6	13.1	43.7
Germany	11.9	12.0	23.9	19.0	42.9
European Union 15	13.8	13.9	27.7	14.7	42.4
Holland	11.9	12.0	33.9	16.8	40.7
Portugal	15.4	10.6	26.0	12.9	38.9
United Kingdom	13.7	16.4	30.1	7.7	37.8
Greece	14.6	8.3	22.9	13.1	36.0
Spain	11.7	10.1	21.8	13.4	35.2
Ireland	13.6	13.6	27.2	5.7	32.9
United States	6.8	14.6	21.4	7.1	28.5
Japan	8.2	6.7	14.9	11.4	26.3

Source: Economie Européenne 1999 Review. CC.OO. Cuadernos de Información Sindical Núm. 8, 2000.

Most of the research has consisted in exploring the feasibility of the BI Strong Model; however, in order to complete the analysis some weak and partial models have also been explored. Particular attention has been given to the consideration of a partial BI for poor people.

Since only the State and Autonomous Communities have the power to introduce Basic Income, it is considered that the respective Parliaments must implement it, making sure that the necessary material means are provided for. In Catalonia, it would be the Catalan Government who approved the corresponding law and include the financial provision in its Budget. Nevertheless, we consider in our study that BI should be managed by a public Autonomous Body (Basic-Income Fund) responsible for all related matters. Such an Autonomous Body would also be the manager of the mentioned collective part of BI. Thus, to make it fully representative but avoid becoming yet another bureaucratic institution, a special effort should be made to include in its decision-making new forms of participatory democracy in a decentralised and self-managed form.

Taking all these, and many other elements into account, we conclude that provided the necessary political strength is gathered together, the strong model for BI is economically and socially feasible in Catalonia and may be implemented within the twenty-year period. Furthermore, if the political will exists, it is even possible to implement in a shorter period. Obviously, if the strong model is feasible, weak models are much easier to implement, although their reduced benefits should also be considered.

In the Appendix, a few Tables present the basic quantitative elements in our study although it is obvious that many things that have been considered cannot be included. Most of the information corresponds to the BI strong model, but some information gathered for several weak-model alternatives is also included.

No doubt, the BI proposal is showing and will show strong societal resistance. Not least due to its very innovative character: the idea of awarding by right a revenue/income with nothing in return fully confronts the traditional wisdom of society that not only worries about the motivation for work but has also internalised the alleged value of wage labour as the most important socialising element in society. But even more likely is that resistance will be produced in the economic powers that will see their social and economic power threatened: firstly, because they will fear for the negative impact of BI on the

supply of labour; and, secondly, because they increasingly consider that taxation- not to mention the social redistribution of wealth- is anathema. In all, such resistance will emerge because BI questions the whole philosophy of today's competitive world capitalism. The person becomes the centre and objective of social life instead of capital's private profits. Capitalists are the ones that see the disruptive power of BI very clearly.

This resistance must be taken into account. They will have to be solved, and dissolved through very extensive information and a wide social debate until the majority of the population is convinced of the validity, desirability and feasibility of the proposal for BI to be democratically accepted and implemented. It has already been said that BI constitutes a political process with very profound repercussions in the social system. It is going to be difficult but it is feasible and desirable.

Because of the importance of the social and political part of the project, the role of social movements is crucial in obtaining it. Intellectual argument, philosophical justification, political legitimisation are in themselves extremely important prerequisites for change, but have historically never been enough to obtain far reaching social reforms. I remain convinced that we need to improve our intellectual instruments to show the advantages of BI for a more harmonious society, but I am yet more convinced that without the strength that must come from the base of society, from those who would receive the main benefits and have little to lose, we shall not be able to go forward. It is not an option but the only envisagable solution: either we start or strengthen our demand for BI from the base of society or we shall never achieve it. I am happy to say that in Spain many social groups have already made BI a really key part of their demands and programs.

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Appendix

Table 5 shows details of the financing of BI in Catalonia. Figures in brackets have not been added but they constitute financing possibilities. Obviously the different sources are in some senses substitutes among themselves. If all growth went to finance BI, taxation will be smaller for current income and vice versa. Growth and redistribution act as alternative ways of financing until the required level is reached.

Table 5. Basic income fund: main sources of finance in per cent of Gross Family Disposable Income and GNP

	GFDI	GNP
RE-ALLOCATION OF PUBLIC EXPENDITURE	6.2	4.9
* Subsidies and aid	1.5	1.2
* Companies and families	3.0	2.4
* Churches and NGOs	0.2	0.2
* Citizens' defence and security	0.9	0.7
* Other expenditure	0.6	0.4
RESTRUCTURIZATION OF WELFARE STATE	14.2	11.1
* Social policies	11.2	8.8
* Employment policies	3.0	2.3
NEW TAX-SYSTEM RESOURCES	20.7	16.2
* Harmonization of direct taxes	3.0	2.4
* Harmonization of indirect taxes	3.0	2.4
* Harmonization of Social-Security contributions	3.0	2.4
* Assets and inheritance tax	1.5	1.2
* Additional taxes	4.7	3.6
* Tax evasion	5.5	4.2
NEW TAXES	8.9	7.0
* Regional government, Savings banks, Foundations		
* Tobin tax	(2.5)	(2.0)
* Investments in tax havens	(1.0)	(0.8)
* Others (empty flats, etc.)		
* Black economy	(4.4)	(3.5)
GROWTH	(18.0)	(14.1)
TOTAL BASIC INCOME FUND	50.0	39.2

Source: Own elaboration. Quantities in brackets are not added.

Estimates for BI weak models

There are many weak models. Quite a number of scenarios among the ones considered more likely or of greater interest have been created, namely those that only award BI to young people under 16 -with four different levels of income-,

unemployed people, women that stay at home, the badly treated, students and disabled people. Table 6 shows the results of these combinations and obviously many others could be considered.

Table 6. Basic income scenarios with weak models

Criteria: groups and amounts			Per cent of BI over RFB in terms of				
Groups	People	% in total Population	Poverty	Acute	RMI	SMI	SMI
			threshold	poverty		100%	75%
Under 16s	899'800	14.4	7.35	3.67	3.99	5.93	4.45
* From 0 to 9 years	541'100	8.7	4.42	2.21	2.40	3.57	2.68
* From 10 to 15 years	358'700	5.7	2.93	1.46	1.59	2.36	1.77
Unemployed without subsidy	50'000	0.8	0.41	0.20	0.22	0.33	0.25
Housewives	692'600	11.1	5.66	2.83	3.07	4.57	3.42
Badly treated groups	80'000	1.3	0.65	0.33	0.35	0.53	0.40
* Prisoners	6'000	0.1	0.05	0.02	0.03	0.04	0.03
* AID sufferer	13'000	0.2	0.11	0.05	0.06	0.09	0.06
* Alcoholics	6'000	0.1	0.05	0.02	0.03	0.04	0.03
* Victim of violence	10'000	0.2	0.08	0.04	0.04	0.07	0.05
* Beggars	10'000	0.2	0.08	0.04	0.04	0.07	0.05
* Ethnic minorities	25'000	0.4	0.20	0.10	0.11	0.16	0.12
* Drug addicts	7'000	0.1	0.06	0.03	0.03	0.05	0.03
* Others	3'000	0.0	0.02	0.01	0.01	0.02	0.01
Other groups	70'000	1.1	0.57	0.29	0.31	0.46	0.35
* LISMI disabled people	20'000	0.3	0.16	0.08	0.09	0.13	0.10
*Other priorities	50'000	0.8	0.41	0.20	0.22	0.33	0.25
Students	521'100	8.3	4.26	2.13	2.31	3.44	2.58
BI beneficiaries	2'313'500	37.0	18.89	9.45	10.25	15.25	11.44
Monthly BI pesetas			87'552	43'776	47'506	70'680	53'010
Annual BI pesetas			1'050'624	525'312	570'072	848'160	636'120
Total population	6'247'466						
RFB (million pesetas)	12'865'972						

We have already mentioned that particular attention has been paid to poor people. According to a recent study²¹ on poverty in Catalonia, 668,000

²¹ Fundació Un sol món. *La pobresa a Catalunya. Informe 2001*. Caixa Catalunya. Barcelona 2001.

Catalonians (11 per cent of the population) are poor and among these 248,000 live in extreme poverty (4 per cent of the population or 14.3 per cent of families). Table 7 shows a summary of some weak models that are applicable to this population group.

Table 7. Basic income: scenario of poverty

	Poverty Criteria: 50 per cent of total equivalent consumption			Per cent of BI over RFBD in terms of:					Total Equivalent Consumption
	TOTAL	Men	Women	Poverty Threshold	Acute Poverty	RMI	SMI 100%	SMI 75%	
Poor People	668'326	380'495	287'831	5.46	2.73	2.96	4.41	3.30	2.73
Employed	39'445			0.32	0.16	0.17	0.26	0.20	0.16
Unemployed	164'116			1.34	0.67	0.73	1.08	0.81	0.67
Pensionists	374'811			3.06	1.53	1.66	2.47	1.85	1.53
Inactive	89'954			0.73	0.37	0.40	0.59	0.44	0.37
Acute Poverty	248'523	134'532	113'991	2.03	1.01	1.10	1.64	1.23	1.02
Children	104'518	65'876	38'642	0.85	0.43	0.46	0.69	0.52	0.43
Poor Households	300'504	126'753	173'751	5.46	2.73	2.96	4.41	3.30	2.73
Employed	6'319	5'875	444	0.11	0.06	0.06	0.09	0.07	0.06
Unemployed	50'655	34'052	16'603	0.92	0.46	0.50	0.74	0.56	0.46
Pensionists	201'849	81'019	120'830	3.67	1.83	1.99	2.96	2.22	1.83
Inactive	41'681	5'807	35'874	0.76	0.38	0.41	0.61	0.46	0.38
Monthly BI in pesetas				87'552	43'776	47'506	70'680	53'010	43'809
Yearly BI in pesetas				1'050'624	525'312	570'072	848'160	636'120	525'703
Poor families:	Pesetas	Households	People						
less than 40%	435'534	193'069	446'554						
less than 50%	525'703	300'504	668'326						
less than 60%	646'636	490'095	1'128'124						
Total Catalonia	1'492'070	2'099'305	6'062'968						
12'865'972'308'565	RFBD								
2.224016985	people per household								

Note: Although the criterion Total equivalent consumption which defines the poverty threshold is different to that used in this work, we have included it in this table as it is that applied in the mentioned report.

Source: La pobresa a Catalunya: Informe 2001. Fundació Un Sol Món, Caixa de Catalunya. Barcelona 2001.