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BASIC INCOME AS FOUNDATION OF THE NEW ECONOMY AND HARMONIZATION OF SOCIAL EUROPEAN POLITICS

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There are many justifications to the basic income, but I think that economic and social reasons will be the most efficient to convince the decision makers and the citizens. More again, in fact, the economic considerations show that the introduction of the basic income becomes absolutely necessary. It is announced by the change that we live, mixing new economy and globalization.

For much, the new economy appears a little mysterious and some people doubt of its reality and even of its innovation compared to the traditionnal economy. However, they are mistaken. The new economy is a radical transformation, the second after the Neolithic revolution, that appeared towards 8000 front years JC, but faster and major.

For this time, the men have organized themselves to fight against the material scarcity: first, scarcity of the food resources, then scarcity of all kinds of valuables until industrial goods. However, the few developed countries, let us say those of l’EOCD, have, with full employment, successful the so much awaited miracle: They gained, they overcame the material scarcity. We are able to produce all, in excess, with less and less of human work. There could be for the total humanity enough whole, foods, material goods, and money. It only remains to solve an organisational ability( problem) and a good distribution of wealth. We do not manage to modify our liberal, effective economy to produce, but with inhuman consequencies which increases the poor and exclude them, not because liberalism impose this by its nature, but because the distribution of its benefits is thought within the framework of the scarcity. When Holy Paul says « as who does not work does not eat », he says it, because when the resources are rare, absolutely rare, the greatest danger which a community runs comes from the social parasite which draws from the resources without contributing to increase them.

The new economy is thus first a plentiful material economy, but that causes substantial consequencies, which I cannot develop, just to quote.

- What does make the exchange value of goods on the market? It is not more what comes from the ground, the raw materials, nor what comes from the association of machines, fixed assets, with primary few educated working man which makes it possible to reproduce in
uniform mass, it’s all that before was the small remainder, the complement, packaging, branding, publicity..immatérial, intelligency added to valuables..in short the information whose paramount factor of production is the human capital. Material goods are nothing any more but alibis or supports of exchanges, which is exchanged is information, immatérial, relational one. The determinant of the value, this is no more the revenue of the marginal ground, like time of slavery and serfdom, this is no more the labour-value, it is now the time-value. And, the priority factor of creation of value is the human capital, with saying the knowledge, skills, capacities to be innovated and to adapt oneself to new conditions.

- One could appropriates the ground and to make it produce by others, one could appropriates the machine or the fixed assets and to make him return the profit thanks to the employees, one cannot separate appropriation and use from the human capital. It is carried by each person, itself, by is human beeing, inseparable from him and it does not create value that it is justified. All is changing. The man becomes the capital. The sentence « there are no wealth that men » becomes a reality. The source of the richness for all is the human development.

New economy requires new way of thinking man and society, and requires a new scientific paradigm. The human capital requires to be effective, freedom, choice, intermittency. See the artists, they always offered only their human capital. The life employment model, giving a sure and permanent income goes everywhere to finish. If we perpetuate this mode of integration in the society, with the strict bond employment-income, the new economy will explode this « iron collar » with or, many working poors if we leave fiting the market, or well an increasingly complicated and expensive social protection, oppressive economy, making it less effective and always outcasting some people.

Here is the place of basic income.

But, what is really, economically, the basic income, in relation with the new economy? Imagine we play cards, we are four players, at the bridge game for example. Currently, we distribute the charts to the chance. From now, we decide that each player will have, in his hand, a strong chart him guaranteeing at least a lifting. Let us choose the ace. One takes the four aces, one distributes them randomly, then one takes the remainder of the package of
charts one distributes them as usual. The play remains the same one. It is a new distribution not a redistribution where whose are gained take on their profits so that the loser unlucky person can at least eat. Nobody loses.

To note that the choice of the chart, or the pre-distributed charts can change the play radically. If instead of choosing the ace, one takes the lady or the servant, the player unlucky person is protected less and could be in a more unfavourable position. If one chooses to give to each one, an ace +a king +a lady, then the play is less interesting and the good players will prefer tables with rules of distribution leaving more chances of high profits. A too weak basic income could be inequitable. A basic income too extremely could be ineffective and impoverishing for all. The level of the basic income is essential.

The new scientific theory of economy, associated with the new economy and the time-value , gives us the answer. In the part of charts, the presence of the fourth player is absolutely essential so that the play can take place. The maintenance of the unlucky person is fundamental. Even if each player seeks to maximize his individual profits, it knows that he needs all the others to play. It will gain more when the other players will be also richer, even poorest. In the new paradigm of the human development, is the same thing. In a world of scarcity, it is appropriation which comforts, safety and capacity. In the immaterial and informational world it is the sharing out which generates wealth : « If I give you an egg and you gives me also an egg, we have each one an egg, if you give me an idea and that you give me an idea we have each one two ideas » !

In the endogeneous growth, as the new economy is, the source of the growth is the social capital, human and material. Is the collective funds of knowledge in which each one draws to manufacture its private human capital and when he is using it, when he is innovating for himself, when he is creating value, he does not know, like a externality, that he is increasing also the human authorized capital of all. It is the whole or the unity which is the starting point and each one, with self-sufficiency, goes in this unit. It is the end of methodological individualism which started from the individue and sought to reconstitute the society through the maximization of individual satisfactions. The theory of value-time makes it possible to measure the share of the incomes resulting from the social human capital which belongs to all, result of all this our ancestors have brought, in the economic field in which we
are immersed, in the social body to which as cell we belong. This revenue of the social capital is the measurement of the basic income. It depends on the total resources of the community and evolves with them, say to simplify with the GDP.

Milton Friedman in its answers to the senator Supplicy, is saying about introduction of the basic income in Alaska, that it was only possible thanks to the petroleum revenue and that all the countries have not the same chance. In truth, in all the countries there is a revenue which also belongs to all, which is permanent contrary to oil, that we can now measure with value-time, is the revenue of the social human capital. It is this revenue which is distributed also and unconditionally between all, which depends on the wealth of the country, and which gives the measurement of the individual basic income. The petroleum revenue and the other mineral revenues do not exist without the funds of knowledge which allowed to manage natural environnement and to create material equipments which produces them. This funds of collective knowledge is the social human capital of which everyone profits and especially those, which by their personal human capital, know to use with their profit, generating not only the economic growth, but continuing without the knowledge to increase the social human capital.

In the new economy, the man is human capital, priority factor of production, source of the creation of value. It is the Capital of company. Well then, each one goes in the productive process by receiving a sum of three types of payment.

1- Unconditionally, the basic income, as return on the social human capital.

2- The payment corresponding to skills and personal merits of the private human capital. But this is not again wages; It is really in fact an allowance of the capital. If you are carrying in a high human capital, in a field of high technology which moves quickly, qualitative uncertainty on the true effectiveness of your capacities which affects employee and employor, like asymetry information on reciprocal waitings, you must choose a contract of rather short duration, therefore louse a fast damping, with a raised remuneration, that you will renegotiate in one, two or three years. If on the contrary your human capital is current, if it does not worsen too quickly, you choose a long damping, with a weaker remuneration.
3-like you are some capital, as important if not more, as the financial or material capital, you must recover a share of the profits and valorization of the company on the stock-exchange : they are the stock-options.

The avant-guard of our economies is running to explore these necessary and new forms of social organizations. But in absence of basic income, as an acrobat takes less risk when he has not a net as elementary safety there, our economies especially in Europe will be less ready to benefit from efficacity of the new economy. The basic income is absolutely necessary everywhere, but the European situation, makes here it absolutely essential.

See how one sought and succeeded in overcoming the difficulties of economic convergences of the countries of European Union: by transcending the national currencies, by introducing with the top EURO. Euro is accelerating the process of realization of a true single market, but what does become social and citizen unification? The harmonisation of the social policies is even more difficult to realize than the harmonisation of the economies. There are not spontaneous forces, of invisible hand directing such a harmonization. The market can push there by constraint, for example towards a common minimum wages, or rules of competition including common social and protective characteristics. But how to imagine that these evolutions can accompany at the same speed those asked by the new economy? That difficulties that risks of suffering, rejection, exclusion! That administrative complications adding again the ones to the others, it will be necessary to add to compensate for all the social pains related to the change, pains more and more stronger when we will try to preserve the too rigidstructures of the wage world and the full employment which we knew !

With the social European Agenda, is unfortunately this way which our European governments want to borrow.

However, here, simplest, most effective and most equitable is what with the first glance appears utopian. Rather that an impossible social European harmonization, let us create the base of a new social European contract : The BASIC income in Europe. With two possible options :
1- either, a same level for all the countries, at the lowest level income of existence, corresponding to the revenue of the social capital of Portugal or Greece, given in Euro and each country could keep it like partial BASIC income.

2- or, maybe in each country on its own level, by leaving the single market to lead economic unification and to let them converge to a true European social community.

Then, after Euro, basic income will be the second mainstay of our european unity.