The BI Proposal in Slovenia ____München, September 2012___BIEN 14th BIEN Congress____ Dr. Valerija Korošec, Ljubljana, Sloveniia____<u>valerija_korosec@yahoo.com</u>___@ValerijaSLO (Twitter

1. Who is entitled for BI and why? Will all, including children, get the same?

Each citizen and permanent resident (10 years; 5 years continuously) receives BI in equal amount.

Bible and humanist ethics principles

- 1. Each human being is firstly a part of the human community.
- 2. Therefore a certain minimum income for subsistence is assigned to every member of the community. No one should die of hunger.
- 3. Minimum income should be ensured due to natural inheritance of the land, culture, history and because of the involvement in community production and/or consumption.

Basic Income principles

- 1. BI is paid to an individual member not to a household.
- 2. BI is not means tested.
- 3. BI is paid without work requirement.

Social justice principles

- 1. BI system should not worsen the position of the most vulnerable.
- 2. BI introduction should financially benefit the majority; on the whole to all.

Value of work

- 1. Those who work are better off than those who never work ('work pays off').
- 2. All forms of work are equally valued.

2. Some pragmatic solutions/suggestions

1. Maximal administration transparency.

Enhancing trust within society

2. Maximal administration simplicity.

Reduction of administration costs

- 3. Redistribution through the tax system.
- 4. BI introduction without change in social contribution system.
- 5. BI introduction should be fiscal neutral.
- 6. 'Reasonable' amount of BL

3. Monthly amount of BI? Cash only?

BI is calculated as an average of:

1/2 of min. living expenses +

1/2 of a minimum wage +

1/3 of an average wage

 $BI = 300 \ \epsilon \ (250 \ \epsilon \ cash + 50 \ \epsilon \ education / activation voucher)$

Some Slovenian data for comparison:

Income benefit for a single person: 230 € (2010), 288 € (law 2011), 260 € (intervention law 2012), Minimum salary: 652 € (2011) Average salary: 979 € (2011) Poverty line: 587 € (2011) Source: Statistical office RS, MDDSZ RS

4. How could BI system works?

Tax administration monthly pays BI. Source of the money are BI payments from employers, self-employed, health funds, pension funds and from budget for poor, children and unemployed. If BI payments are late, tax administration has to execute the payments and tries to refund later.

New obligations will force tax administration to be more efficient in fighting tax evasion.

5. Fiscal neutral introduction of BI?

BI would replace 16 current social benefits and most tax allowances (not disability tax allowance!).

The fiscal impact: Ministry of Labour, Family and Social Affairs paid 1 BN social benefits in 2008. Cancellation of tax allowances would bring to the budget additional 0.9 BN. Calculated costs for BI scheme were 1.8 BN ϵ - with the BI scheme state would save at least 75 Million ϵ .

6. Why BI (in Slovenia)?

1. BI prevents people from absolute poverty.

Income growth (%) for the most vulnerable groups with the BI scheme compared to the old system				
with th	ne BI scheme Preschool	? compared	to the old s Older	ystem
Deciles	children	Students	than 65	Retired
1	52,9	65,5	39,5	19,4
2	14,1	9,2	-3,3	-0,9
3	10,9	5,9	0,1	0,7
4	10,7	5,0	0,3	0,5
5	9,4	8,4	0,4	0,5
6	10,2	8,4	0,2	0,4
7	7,5	7,8	0,1	0,1
8	7,3	5,8	-0,1	-0,1
9	7,2	3,4	-1,0	-0,8
10	7,0	2,7	-1,7	-1,1

 BI provides workers existence when the system is corrupted (law, courts, state, malfunctions) and in time of social anomie (employers do not pay wages).

BI could be seen (in Europe) as a proposal of **postmodern** (postindustrial) system of social security. It works as an income security guarantee for industrial and intellectual workers within globalised labor market. It's a postmodern form of a flexicurity system.

- 3. BI preserves political freedom.
- 4. BI enables professional autonomy
- 5. BI enables creativity,
- 6. BI encourages entrepreneurship,
- 7. BI enhances social trust and cohesion.

7. How to achieve BI?

1. Intersectional networking (e.g. churches, trade unions, NGO, working, greensustainable 'new' political parties, research institutes).

The main problem is institutional resistance to change; fear and resistance of employed within public sector (majority of researches, professionals, civil servants).

Antagonism or at least passivity within private sector which lack information of benefits that BI system could bring. Upper middle class (mostly white collars) which profits financially and socially from the malfunctions of the old system has no interest in building more egalitarian society that BI enhances. Result is lack of public discourse, dialog and public awareness of BI pro and contra arguments.

- 2. International networks (e.g. BIEN, USBIG).
- 3. Step by step solutions: different modules for children, old, adults, immigrants.

»In 19th and 20th century the biggest achievement of humanity were abolishment of slavery and universal right to vote; in 21st century this will be universal right to basic income. «

Philippe Van Parijs

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Presentation of the

BASIC INCOME,

an equal income paid by a political community to all its members on an individual basis, without means test or work requirement,

PROPOSAL FOR SLOVENIA 7 steps

Questions, solutions, suggestions

- 1. Who is entitled for BI and way? ... Some basic principles ...
 - 2. Pragmatic solutions/suggestions
- 3. Monthly amount of BI? Cash only?
 - 4. How could BI work?
- 5. Fiscal neutral introduction of BI?
 - 6. Why BI in (Slovenia)?
 - 7. How to achieve BI?