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Ecological basic income: an entry is possible

In this article firstly the principles of an ecological basic income will be explained (1), in order to work out how to lead hitherto environmental policies out of different dead-ends. (2) But it’s not about a fancy method to avoid an inaccessibility of environmental policies any more. Rather it helps the Green New Deal, as a mainstream project for the simultaneous solution of ecological and economical crisis, to gain a libertarian and anti-productivist character. (3)

Furthermore an ecological basic income has a real utopian character. It is targeted at embodying both the identity and material interests of the greater part of the population, so that we can speak of a potential hegemony of this project. (4) Finally it will be shown that an ecologically financed basic income is not only the key to a collaboration of the environmental and the basic income movement, but is especially well-suited in general for a step-by-step implementation of the principal of an unconditional income. (5)

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1 Ecological basic income

An ecological basic income (EBI) is a basic income financed by taxation of undesired consumption of environmental resources. The revenue of these ecological fees (e.g. CO₂, raw materials, open spaces) will be shared back equally to everyone. In this way every citizen, from baby to the elderly, from rich to poor, will be paid an “eco-bonus”, respectively an “ecological basic income”.

This is about a financing of basic income by taxation of a special type of consumption, which is burdening our environment in a detrimental way, depending on our societal point of view, which runs counter to the goal of sustainable development and a globally just handling of natural resources.

Wait – isn’t a financing through a cost increase unjust for the poor? Don’t they suffer the most under an increase of costs in their daily lives, since the user fees for raw materials or emissions via the series of value-added processes finally flow into the shops? Exactly the opposite occurs: those with higher income consume more and therefore have usually a higher usage of environmental consumption. They pay on average more, while through a per-person distribution they only receive an average profit; they are “net-payers”. Those of lower income and those with many children are the beneficiaries.

A number of research results speak for this correlation:

- A comparison of German cities shows a clear connection of the CO₂ emission and per-person income: Frankfurt, with a GDP of 66,800 € per person, emitted 11.8 tons per person and year, Berlin with a GDP of 21,400 € pp, emitted 5.6
tons per person and year.\(^1\) The CO\(_2\) emission is a relatively good indicator of the over-all resource usage, since higher material input is also energy-intensive as a rule.

- The Infras-Institut in Zürich, using econometric simulation models, compared the effect of different forms of eco-tax and came to the conclusion that an “eco-bonus solution” (i.e. the equal distribution of revenue) is the one which leads to a redistribution of income to the poorer.\(^2\)

- In 2008 the consumer advice centre in Nordrhein-Westfalen proposed a free basic energy flat rate of 250 kWh/person and year, which would be financed by a higher electricity price. This proposal is nothing more than a concretion of the principal of an “eco-bonus” through electricity usage. A study by the Wuppertal-Institut analysed the effect of this tariff structure on households living on welfare: 80% would be better off.\(^3\) The reason: also the electricity use rises with income, as a rule.

Naturally there is always a counter example. There are those of lower income who have a wasteful attitude toward consumption and charged more. And there are those of higher income who value frugality in their usage. But this is exactly part of the underlying principle of the eco basic income, the “Tax and Share”. This is appealing for everyone, to consume products with less environmental impact. And for everyone there is an incentive to end certain harmful forms of consumption.

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2 Out of the impasse of present environmental policy

The „ecological basic income“ (EBI) is an answer to a series of elementary problems of hitherto environmental policies.

Firstly: The EBI leads out of the dilemma of economic instruments of environmental policies without social compensation: If it’s too small, there will be no impact. If it’s too big, it becomes unsocial. Here it’s the opposite: the higher the eco tax rate, the bigger the redistribution effect, internationally as well as within a nation. This procedure can be used at every regional level. Even though there is no globally binding agreement, a single nation can begin to confine its allowable environmental usage through taxes or through auctioning of allowances, and also to achieve the effect of redistribution by sharing the revenues.

Secondly: an EBI promotes an ecological sufficiency, without imposing certain lifestyle norms. As a socially just alternative to economical instruments of environmental policy, generally from the left, stronger regulatory policies are called for that goes beyond setting of boundary values for production. The government should, plain and simply, forbid environmentally destructive, unnecessary consumption.

First and foremost those products will be concentrated on with a symbolically high luxury-, unisexual, and/or damaging factor, such as SUVs, tropical fruits, air travel, etc. But tendentially all ecologically questionable consumption, from unnecessary car

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1 Economist Intelligence Unit (2011): German Green City Index, P. 13
3 Wuppertal-Institut für Klima, Umwelt, Energie; Ö-Quadrat (2008): Ökologische und ökonomische Konzepte: Kurzgutachten Stromspartarif
travel to coloured toilet paper, should be forbidden for all. This is social, since it affects everyone the same, and possibly also leads to positive ecological goals, but it improperly limits individual freedoms. We cannot dictate which vehicle can be used for different situations, which furniture in an apartment with so-and-so many children may be set up, which foods and to which amount I may enjoy to whatever occasion, etc. All of this – and much more – needs to be determined.

But from which standpoint certain lifestyles can be prohibited or allowed? How shall this happen in an even halfway democratic procedure? Out of the acceptance of the diversity of lifestyle in modern society it follows in fact that rules must become more abstract. When we can’t or won’t regulate everything in detail, this can only happen through the costs of environmental usage.

Only this allows the individual one of the modern appropriate freedom of activity while simultaneously establishing a limit for his overall environmental usage. Through an EBI the acceptance of different lifestyles within the framework of ecological-monetarian constraints will be conserved. Certain forms of consumption will become less attractive, but can further be performed singly or in moderation. The redistribution effect of the EBI will make sure that these individual freedoms will not be limited to the affluent, but rather be open to the whole population.

Thirdly: An EBI allows for financial security in the ecological transition of the economy. How many productions long known to be ecologically damaging or socially disputable are accepted without question, if not actually stipulated, while the capitalistic economic regulation focused on employment is linked to an elementary existence?

For an acceptance of the ecological transition of economy which is linked to a far-reaching change of workplace and careers, the social-psychological situation needed is “change without fear”. While in the hegemonial conceptions toward better adaptation of the ecological and economical crises like the Green New Deal the worries of those with expectations of new employment should be calmed, the concept of the EBI consists of the guarantee of social security – a social security independent of economic growth!

The increased liberty of activity for the individual achieved by the EBI is not only an emancipatory progress, but an ecological advantage: the coercion to ecologically problematic economical activity will decrease.

Fourthly: An EBI can make an ecological-cultural change more attractive for broader levels of society. For a long time a lifestyle of less resource usage has been propagated in the ecological debate. Obviously most appellations produced in the past 20 years with much media work in both civilian and state institutions failed, with the exception of small avantgardistic groups.

A lifestyle of less resource use consists of two components, the “different” and the “less” consumption. If this „less“ should be attractive not only for marginal groups, then society on the whole must be less hierarchic. A lifestyle of sufficiency, an „Elegant Simplicity“, can only develop on the basis of a liberal daily routine. Those at the bottom or those who in some way feel repressed, or constantly sense a feeling of scarceness, who perceives alienation toward their job, will not be convinced of more prudence. To compensate for this they need more demonstrative consumption, events used as reimbursement, keeping up with the status quo, etc.

An „en masse“ striving towards the „less“ can have a chance when it’s not seen as laborious but unavoidable, but develops its attractivity as a release from restrictive,
stressful, socially isolating relationships. A component of such an idea would be for example “affluence of leisure time” (“Zeitwohlstand”), would be for example a life with more – freely chosen – communities, would be a life with more individual space, but less consumption and acquisition pressure. The EBI makes it easier for all to leave the treadmill of “work - consume - work”, at least tentatively. New lifestyles of „less“, of “Zeitwohlstand”, with a stronger orientation towards non-monetary work, singly or communally, instead of gainful employment, would have a chance to be tried out and appreciated not only by fringe groups.

The second component of a resource-light lifestyle is the “different”, i.e. the consume of less environmentally burdening alternative products. For this the ecological financing of a basic income is not only fitting, but a necessary requirement. One criticism against the basic income from an ecological point of view is known to be, that with the larger mass purchasing-power more environmentally damaging things will be bought. That is just what will be avoided through the change of relative costs because of the ecological tax: products with a greater ecological footprint will be more expensive than environmentally-friendly alternatives.

While the arguments that target security during a social ecological transition apply generally for unconditional basic income, the other factors can only be achieved with an EBI. The EBI thus has the potential to immediately lead out of diverse apora of environmental policies. It can make the ecotax social, it preserves the freedom of lifestyle in spite of ecological restraints, it creates en masse an acceptance for the seemingly threatening structural changes of the economy, and it makes room for sufficient lifestyle orientation beyond small fringe groups.

These are all arguments which instrumentally justify the EBI as an apt and correct method to avoid the impasse of environmental policies. The basic idea of the EBI, the tax and share, could also be legitimized by the philosophy of property rights, that the ownership of natural resources belongs to all inhabitants of the earth. A first idea can already be found in the writings of Thomas Spence in 1796. For agricultural use a ground rent should be paid, from which two thirds would be paid regularly to all residents, whether young or old. His reasoning was that not everyone would have the possibility, on the basis of property ownership, to live from farming. But the world belongs to everyone. Therefore everyone would have a right to a portion of these revenues, which would initially come into being through the use of nature.

An actualized form of this basic idea, expanded to all scarce resources, can be found with Peter Barnes and his idea of a „Sky Trust“. His initial point is the assumption that the natural environment with its atmosphere, its resources, and its depressed areas, constitutes common property for all earth-dwellers. Whoever wants to use this common property have to ask the owner for permission. With ecologically problematic usage e.g. of CO2, agricultural areas, metals etc. a fee would be imposed through the “Sky Trust” which all earth-dwellers would be entitled to.

3 A libertarian and anti-productivistic Green New Deal

Up till now the unconditional EBI essentially as an answer to the crises of the welfare state and the crises of gainful employment have been discussed. Claus Offe, for example, sees in the EBI the potential to overcome structural problems and loopholes of justice of advanced industrial societies in a pronounced liberal (leftist libertarian) way, according to the idea of equal actual liberties.
The main structural problems are for him, for one thing, the “production problem”, that would be solved through the institutionally arranged response to the question, which persons should take over which tasks, and on the other hand the distributional problem: who has a claim to which part of the product after equal work. Jürgen Habermas sees the EBI as a revolutionary step towards taming the systems “economy” and “state”, to break the spell hanging over the “labor market dominating the life history of the employable”.

Both prominent authors are only named here as examples - the whole literature supporting the basic income focuses on the problems of the welfare state and labour society. Peculiarity, in all these reflections the ecological question remains less highlighted. But the crisis of advanced industrial societies is also a crisis of the societal relationship to nature. The fordist welfare state could only stabilize its growth rates by nearly reckless exploitation of resources and sinks.

The fordist regulation scheme with its continuously rising mass production struggled in the seventies not only through problems of financing the welfare state. Furthermore increasing costs for the usage of natural resources, e.g. during the oil crisis in 1973, the prohibition of deterioration of the environment or its restoration occurred. In the postfordism regulation scheme of neoliberalism neither the structural problems of working world nor those of the societal relationship to nature could be solved in a sustainable way.

Indeed questions of environmental protection are being more often considered since the eighties. They have become part of the new regulation scheme of this phase of capitalism. But environmental policies have only been integrated into the political economy in consensus with the neoliberal ideas of privatization, deregulation, along with liberal productivism. Environmental protection should not endanger growth and competition. Thus companies are given few restrictions or taxations, since the end products should not become too expensive.

Today it is clear to a critical public that neoliberalism has not only fostered economical crisis but has also prevented a better handling of ecological questions. Globalized production by forced deregulation increases energy consumption through the transportation process and prohibits the implementation of more ambitious environmental standards. The domination of financial markets is leading capital flows to short term profits instead of development of sustainable production processes; social polarization is undermining the willingness to a fair sharing of ecological burdens.

These problems of environmental policy have been existing in fordist but getting worse through neoliberal regulation. Facing social polarization, a taxation of problematic use of the environment is more difficult to legitimate, and propagating sufficient lifestyles seems to be a clever method of the rich. Through the domination of finance markets, with their unpredictable implications for their own working place, a feeling of safety during the transition can not arise.

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As an answer to both economical and ecological crisis the idea of a “Green New Deal” now becomes hegemonic. The basic thought consists of reaching a state supported impulse in innovation and investment in green technologies on a green market. The thereby raised economic growth should concurrently bring ecological progress because of new technologies with less usage of resources and less detoriation of environment. This idea was first introduced into the debate by green parties, think tanks and NGOs. But it is becoming more and more hegemonic in the whole political class, even if there are other descriptions.

But Green New Deal is not Green New Deal. There are different conceptions of its social core as well as different ideas of economic growth. We can differentiate three basic approaches.

In the Green New Deal of the green parties, foundations, and others, the Deal consists of the creation of new green jobs, connected with the empowerment of employees, who are thrown out of the old dirty industries, or who might be. Through increasing expenditures in general and vocational education, those threatened with exclusion should be newly included in the working world. However, the social question as a question of redistribution is considered as nearly solved, ever since the historically perfected New Deal. Therefore the introduction of a green market through taxation of usages of environment seen as problematic, e.g. CO² emissions, polluting of different environmental sources, resource consumption etc, necessitates only very few measures to reduce particular hardships the very poor will be afflicted with.

The „social-ecological New Deal“ demanded by left parties, trade unions etc. is also based on a mixture of both directly state driven and private green investments. But the difference is the role of the redistribution of work and income, e.g. the 30 hour week, a high rate of social security, minimum wages and so on. The redistribution should concurrently solve the obstacle of investment through fostering intranational demand. This should be financed by higher taxation of the affluent and businesses.

But the „social Green New Deal“ from the left, as well as the „Green New Deal“ from the greens, are searching for economic growth as a solution for both ecological and economical crisis.

A third version is outlined in the study of the Wuppertal Institut „Sustainable Germany in a Globalized World“. Within the framework of a “new social contract” the citizens in their role as businessmen, as well as consumers, should give off capital and comfort both to nature and to those less well off.⁶ People in the north, respectively the global group of consumers, should change their life style towards frugality, instead of extending the previous welfare model with green technologies. In opposition to the versions with growth the question of redistribution is posed because the authors have a different thesis concerning the consistency of sustainability and economic growth. This could be described as a „Social Green New Deal without growth“.

An EBI could be a central element of the new social contract proposed for this conception. Through taxation of environmental usage the citizens would give up a part of their “comfort power” to nature (by reducing certain types of consumption), and to the poorer (by sharing the revenues). But an EBI is more than a redistribution model. With an EBI the Green New Deal could gain a libertarian character, because

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the space for creating an individual lifestyle for all citizens, not only the well situated, will grow.

With an EBI the Green New Deal acquires a character which is opposed to productivism, because it is fostering the reduction of economic activity in general – besides supporting those technological activities with less resource usage. On the one hand it makes consumption more expansive. On the other hand every economic activity becomes less attractive because of a heightened social security.

Beside the technological strategies of efficiency and consistency, i.e. the compatibility of anthropogenic and naturalistic substance cycles, the non-technical way of sufficiency will be supported. However the relationship between a technical and non-technical path can not be estimated in advance. Anyway, the EBI has an anti-productivist component and is therefore part of an economy beyond growth.

But this deproductivistic effect does not undermine the financing function of the EBI. If less goods or services were produced the revenue could nevertheless remain stable or even grow, because the tax rates could be raised. To sustain a certain level of revenue it is not necessary to accept a certain level of undesirable environmentally unfriendly production, as some critics argue.

In summation we can say that an EBI as a core of a libertarian and anti-productivist Green New Deal would not only constitute a higher level of welfare state but also a higher level of environmental state. It is a higher level, because the structural problems of work as well as the structural problems of environmental usage would be solved according to the “basic idea of equal liberties” – following the ideas of Offe. It is a higher level, because the domination of the anonymous systems market and state over the social integrated area of discourse called “Lebenswelt” (Habermas) will be diminished.

4 A hegemonic coalition is possible

However, beyond such academical questioning it is necessary to focus on the chances of achieving an EBI.

To begin with, the idea of the EBI can bring together the basic income movement with a large part of the environmental movement, which the previously mentioned aporias of environmental politics have a strong interest in overcoming. This alliance would mean a great step forward. Further, an EBI has a hegemonial potential. The simultaneous social, ecological, and emancipatory qualities of an EBI allows at least the possibility of a broader acceptance through a hegemonic societal coalition thinkable.

Following the regulation theorist Alain Lipietz the latter is defined as a coalition of socio-economic constituted groups which could legitimize their interests as a useful project for the whole society and thereby gain the power to realize it. A hegemonic coalition forms a broad consensus. Its extension must be so large, that others with interests which are disregarded are in a rather marginal position. The consensus is built on the regards of socio-psychological, material and ideological needs: inside a hegemonic coalition people must have the possibility to express their identity, their interests, and their different ways of thinking.7

In short, an EBI raises the chances of attainment for post-materialistic, resource-saving activities beyond gainful employment. The Sinus-Institute in Germany names at least four milieus with an overall share of 35%, whose identity and value orientation is clearly pointing in this direction.

At first there are the „modern performer“ (10%), the young unconventional leading elite. Their ambition is targeted to self realization beyond material success. Their consumption style is characterized by the interest on the extraordinary, influenced by culture and multimedia, as well as by athletic activities. The „experimentalists“ (9%), the individualistic „new bohemians“ from the middle classes, are greatly interested in creative activities. Material success is for them less important, while their main interest is directed towards music, art, culture, and literature. The „post-materialistic“ (10%), i.e. the enlightened post 1968 milieu, with a more liberal attitude, immaterial values, and intellectual interests, are focusing their necessities on individual needs and aptitudes. They want to gain space to develop themselves. Therefore they need time sovereignty. Unnecessary consumption is undesirable. They appreciate subtle pleasures, which may be more expensive. Their consumption is more selective, with the motto in mind, “less is more”.

We will probably find more scepticism with the idea of an EBI among the “hedonists”, the fun-oriented from the today’s underclass. Indeed they avoid the conventions of the achievement-oriented society, but they are highly oriented towards consumption, especially of electronics, clothes and cars. An EBI fits to their hedonistic criticism of merit orientation, but collides with their consumer needs, because prices could rise. Equally indifferent against such transitional projects could remain the status-oriented modern mainstream (15%), striving to establish themselves both in work and social relations, who look for security and harmony. An EBI will probably be seen as a threat to their readiness for performance and their deserved earnings, but could also be valued as a step to more social security and protection against social decline. Also the conservatives, the “old well-educated citizenry with humanistic responsibility ethics”, and greater needs for distinction would have reasons for reservation, e.g. against an “income without effort”. However, their conservative criticisms of society also include the denial of consumerist orientations, i.e. an accent on immaterial values and social engagement, both fostered by the EBI.

We should expect opposition rather from the “petty bourgeois and traditional workers culture” (14%) and the underclass’s, shaped by materialism (12%). They try to compensate discrimination by consumerism. Also, the “well-established” (10%), with ethics of success and demands on exclusivity, will likely tend toward opposition.

These attitudes to the project EBI, by no means empirically verified, show, at least at first glance, a real chance for societal connectivity to their needs for identity and value orientations. To constitute an „historical societal coalition“ the material interests of the main classes of society (which are not in every case equal to materialistic consumption) have to be considered also. Even here the EBI has advantages:

Firstly, it means direct redistribution from rich to poor. Secondly, an EBI improves greatly the status of all seeking employment on the job market. This has a redistributional effect, too. When elementary goods are secured, everyone will gain


8 Sinus-Institut 2009; www.sinus-institut.de
much easier a better reward for their work. This applies mainly to difficult work in various contexts and for those products seen as less meaningful.

At the same time there will be more activities for less money down to zero gratification, in case of self-fulfilment as well as in order to help others or their own community. The transitions will be smooth. This is also fitting when facing the various motivations to work, placed somewhere between cash, self-fulfilment, charity, and social responsibility. Work will become both more worthwhile and less commercialized.

Thirdly, an EBI is connected to a decrease in the usage of environment. In so doing it improves an important material basis for life – the preservation of natural environment. Thus in principle all societal classes and milieus will profit in a material way. Indeed those whose earnings are higher will lose some consumer rights, but receive an improvement of their natural and societal environment – a new social contract could emerge.

Only very few would not be included in this hegemonic coalition. For instance, those hoping for salaries or profit from work in ecologically and socially questionable and more and more unacceptable branches like coal, cars, certain parts of the financial sector, and denying a personal change to other working places, e.g. in the cultural sector. Not included would be also those who can not see any advantages in lifestyles with more community life and more free time, but less money.

But for the majority such a transition is an answer to personally experienced social and ecological deficiencies of liberalized market economies, under which many people from different social classes and milieus suffer in various ways. Not only the poor are feeling the increasing material separation in a negative way. Not only parents are not able to integrate their life values with the conditions for employment, caused by increased unequal distribution of work. Not only the new self-employed are suffering under the coercion to sell their creative skills for questionable purposes. Not only the ecologically engaged are more and more recognizing the logic of growth as a reason for the undermining of partial ecological progress.

The transition project of an EBI could even lead to hegemony because it does not abolish the liberties and potentials of market – truly recognized as positive ones. Production and life will not come under the problematical primacy of direct socialization through planning within the framework of small communities or whole societies. Rather the emancipatory contents of freedom of choice and the flexibility of non-hierarchic coordination could emerge in the context of social-ecological regulation.

5 Using the EBI as an entrance

A potential hegemony for an EBI doesn't mean that there is a concrete majority for introducing it now. We cannot hope for a transition from our hitherto welfare state to a total change with a guaranteed basic income from one day to the next. The impact of such an abrupt socio-economic big experiment carried out on the living body of the society is not calculable. The whole economic structure, prices, labour market, demand, and production will suddenly have to reconstitute themselves under completely new conditions. The fear of politicians and people of a great crash would not be overcome. Even within an existential crises or after a catastrophe like a war, such an abrupt new beginning is thinkable. We should not place our hopes on this.
Normally new paradigms can only be established with prototypes and small pilot schemes. An EBI is highly suited for such an incremental implementation. An EBI can be introduced slowly, parallel to the previous social security scheme in order to first introduce the principle in a smaller form. Thus security within the transition will come into existence, with enough time for adaptation. We can start the principle of “tax and share” on various scales and with different environmental media:

- The revenues from the allowances auctioned within the European emission trade system from 2013 on are estimated to 10 bn. € per year. If we share them equal per capita a family of four will get 500 € per year eco-bonus as an ecological basic income. Their revenue will rise through a possible reduction of the amount of allowances which is demanded by many environmental organisations.
- In the case of boosting the ecotax in Germany, so that the consumer price rises for 10%, this family would receive an additional 1000 € a year. With a rise of 50% they would earn 4000 €.
- We could tax construction materials, metals etc. This would not only be a further source for the basic income but also a strong incentive to reach an economy based on closed material cycles.
- The sealing off of land use for other than farming purposes (in Germany 100 ha a day) could be taxed to slow down this process.
- The EBI can also be introduced in a material form, e.g. as a basic free amount of electricity or gas, financed through a higher price for higher consumption. Such a tariff was recommended in 2008 by the consumer organization of Nordrhein-Westfalen (Germany). The German law applying to energy economy would give us the authority to prescribe such a tariff structure for every supplier.

This is not yet a basic income which would secure existence. But these are steps in the right direction. It's a start. The rest of the money needed for a basic income completely securing a basic existence can be gained in different ways. One possibility is to raise the ecological tax incremental and to extend it to further environmental media until an amount of e.g. 600 € per month securing a basic existence is reached. Another possibility is to add different financial methods

In any case the ecological basic income is highly suitable to introduce the principle: every human receives unconditionally a share from the common inheritance of society, the richness of resources, knowledge, and production: the richness of the “first and second nature”.

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