

How and when will the Brazilian Law that institutes a Citizen's Basic Income really be fully implemented?¹

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On January 8th, 2004, President Luiz Inácio Lula da Silva sanctioned the Law 10.835/2004 that institutes a Citizen's Basic Income (CBI) to all residents of Brazil, including foreigners who are living in Brazil for five years or more, no matter their socioeconomic condition. A first paragraph to the first article stipulates that the CBI will be implemented step by step, under the Executive criteria, taking into account first those most in need. One day it will be equal to all, sufficiently to attend the basic needs of each person such as with food, education and health, taking into account the degree of economic development and the budget capacity of the nation.³

It was a beautiful ceremony in the Presidential Palace, the “Palácio do Planalto”. One of the main founders of BIEN, Professor Philippe Van Parijs was there and was invited to speak. Behind him, a big poster said: "A Citizen's Basic Income to All". It was a very special day. The Minister of Finance, Antonio Palocci Filho, had explained to the President that, since it was to be implemented step by step, gradually, it was feasible. Therefore, he could sanction it, as he did. It was understood that the Bolsa Família Program, that pays a monetary benefit to all families with a monthly income below a certain level could be seen as the step towards the CBI.

The Bolsa Família Program began in October 2003 when President Lula decided to unify and rationalize some of the several existent income transfer programs at the time: the Bolsa Escola Program, the Bolsa Alimentação, the Auxílio Gás and the Cartão Alimentação. Those programs originated from the discussions about a guaranteed minimum income proposal that had been presented by several economists and social thinkers along history in many countries, including in Brazil.

The debate about a guaranteed minimum income on Earth has had its origin since the beginning of mankind, as we may see from the contributions of Confucius, Aristotle, the Holy Bible, Jesus Christ, The Book of Hadis, The Teachings of Buddha, Thomas More, Thomas Paine, Karl Marx, Joseph Charlier, Bertrand Russell, James Edward Meade, John Maynard Keynes, Milton Friedman, James Tobin, John Kenneth Galbraith, Martin Luther King, Bishop Desmond Tutu, Philippe Van Parijs,

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³ The original Bill of Law presented by me mentioned that the CBI will attend the minimum expenses of each person with food, housing, education and health. The rapporteur, Senator Francelino Pereira, however, decided to cut the word housing. This aspect does not modify the essence of the CBI, especially because the law says that its level will accompany the progress of the Nation. A more complete account of the origin and history of the CBI, including the bibliography, can be found in Eduardo Matarazzo Suplicy, “Renda de Cidadania. A Saída é pela Porta.” (2002, 1st Edition; 6th Edition, 2010) Cortez Editora and Editora Fundação Perseu Abramo.

Guy Standing, Claus Offe, Walter Van Trier, Robert Van Der Veen and so many others.

It has also been present in Brazil. Especially because, during the period from the fifties to the nineties we have had alternated periods of high economic growth and recessions but, in general, characterized by concentration of income and wealth. And this happened to the point of Brazil becoming one of the three most unequal nations on Earth. Many intellectuals, such as Milton Santos, Caio Prado Junior, Celso Furtado and Josué de Castro started to say that the eradication of hunger and poverty, economic growth and social justice could be perfectly harmonized and were within our hands.

Josué de Castro, in 1956, when he was a Federal Representative said, in a speech to the Chamber of Deputies about the Disparities of Income in Brazil: "I defend the need that we provide the minimum to each one, in accordance to the right that every Brazilian has to get the minimum for his survival". Antonio Maria da Silveira, in 1975, wrote a first proposal in an academic journal to guarantee a minimum income to all Brazilians through a negative income tax. He mentioned that the new injection of money into the economy should be done through the hands of those that did not have enough for their survival. Also Edmar Lisboa Bacha and Roberto Mangabeira Unger argued in favor of guaranteed minimum income through a negative income tax in 1978.⁴

It was in 1991, when I was first elected a Senator representing the "Partido dos Trabalhadores" from the State of São Paulo that I presented a first Bill of Law to institute a Guaranteed Minimum Income through a Negative Income Tax, with the help of Antonio Maria da Silveira. The proposal was approved by the Senate in December 1991. It got a favorable report at the Finance Committee of the Chamber of Deputies where a rich debate happen. Already in August 1991, in a discussion about that initiative in a meeting of about 50 economists in Belo Horizonte, Professor José Márcio Camargo mentioned that the guaranteed minimum income was a good proposal but that it should be paid to the poor families with children so that the parents could send them to school instead of asking them to work at a very early age. The procedure would contribute to cut the vicious circle of poverty. He published articles explaining this proposal in 1991 and in 1993, in *Folha de S. Paulo*.⁵ Professor Cristovam Buarque also developed this idea and started to apply it when elected Governor (PT at the time) of the Federal District, 1995-1998, with the name of Bolsa-Escola, at the same time that the Mayor of Campinas, José Roberto Magalhães Teixeira (PSDB) started a Guaranteed Minimum Income Program related to Educational Opportunities. Both started in 1995. All families with income below a certain level would have a complement of income as long as their children from 7-14 were going to school.

Due to the positive results, many other municipalities followed the example. New Bills of Law were presented in the National Congress for the Federal Government to support municipal programs in that direction. In August 1996, I took Professor

⁴ Antonio Maria da Silveira (1975). "Moeda e Redistribuição de Renda." *Revista Brasileira de Economia*, abr./jun. e Edmar Lisboa Bacha e Roberto Mangabeira Unger (1978) "Participação, Salário e Voto. Um Projeto de Democracia para o Brasil." Rio de Janeiro. Paz e Terra.

⁵ CAMARGO, José Márcio (1991). "Pobreza e garantia de renda mínima". *Folha de São Paulo*, São Paulo, 26 de dezembro e (1993) "Os Miseráveis". *Folha de São Paulo*, São Paulo, 03 de março.

Philippe Van Parijs for an audience with President Fernando Henrique Cardoso and the Minister of Education, Paulo Renato de Souza and his staff. Van Parijs explained the advantages of the Unconditional Basic Income but mentioned that to start a guaranteed minimum income relating it to educational opportunities would be a good start since it would mean an investment in human capital. The President gave the green light for the National Congress to approve the Law N. 9.533/1997 that Congressman Néelson Marchezan and five other Congressmen presented, in a similar form, so as to allow the Federal Government to finance 50% of the expenses of the municipalities that would start guaranteed minimum income programs related to educational opportunities. First, the municipalities with the lower income per capita until all, along five years, would have that support. In 2001, President Fernando Henrique Cardoso enacted new Provisional Measure, soon transformed into Law 10.219/2001, approved by all parties, saying that the Union would finance 100% of the expenses of all municipalities of Brazil with guaranteed minimum income programs related to education, also called Bolsa-Escola. In 2002, President Fernando Henrique also created the Bolsa Alimentação Program instituting a complement of income to those poor families, with the same threshold of the Bolsa Escola Program, with children from 0-6 of age, as long as they were taken by their parents to get the necessary vaccines in the Public Health System according to the calendar of the Ministry of Health. Also, the government created the Auxílio Gás Program, or Gas-Help Program, so as to provide to poor families a stipend to buy gas. By February 2003, in his first year, President Lula instituted the Cartão Alimentação Program, a sort of a Food Stamp Program through which each poor family, with income below half the minimum wage per capita, would have the right to a credit card of R\$ 50 per month that could be spend only on food.

The four programs described above were all unified in October 2003 into the Bolsa Família Program that has been amplified from 3.5 million families in December 2003 to 13.52 million families being benefitted in August 2012, reaching approximately 50 million people or more than 1/4 of the 194 million Brazilians today. The rules of the Bolsa Família Program at present are as follows:

Every family in Brazil with a monthly income per capita below R\$ 140.00 has the right to receive the benefits of the Bolsa Família Program. On August 26th , 2012, US\$ 1.00 was equal to R\$ 2.025 and €1 was equal to R\$ 2.5377. If the family monthly income is below R\$ 70.00, the basic benefit to the family is R\$ 70.00 plus R\$ 32.00, R\$ 64.00, R\$ 96.00, R\$ 128.00 or R\$ 160.00, respectively, if the family has one, two, three, four, five, or more children up to 15 years and 11 months of age; plus R\$ 38.00 and R\$ 38.00, completing R\$ 76.00, if the family has one or two adolescents from 16 up to 18 years of age. There are conditionalities. If the mother is pregnant, she must go the health public system units to have her pre-natal exam to see how her health is until the baby is born. The parents must take their children with age up to 6 years to the health public system to have their vaccines according to the calendar of the Ministry of Health. The children from 7 to 15 years and eleven months of age must attend at least 85% of the classes in school; the adolescents from 16 up to 18 years of age must attend at least 75% of the classes in school.

President Dilma Rousseff has announced, since the beginning of her government in January 2011, that her main objective is to eradicate the extreme poverty in Brazil, under the Program Brazil without Misery, through the Bolsa Família Program together with several other measures to guarantee social inclusion to all. Those

measures include agrarian reform, credit to family farmers, expansion of better educational opportunities, more day nurseries, stimulus for cooperatives, expansion of microcredit opportunities, the popular housing program, My House, My Life, the Green Scholarship Program or Bolsa Verde, that provides an income of R\$ 300.00 per 3 months for those families that live in protected areas such as forests, as long as they contribute to their conservation, the Light for All program that brings electric power to distant areas, the building of cisterns to the dry zone areas for them to collect water during the rain seasons in their homes, as well as improvements in the Public Health System, especially with new units in areas where poor people lives.

With respect to the Bolsa Família Program, in June 2011, President Dilma has announced the Active Search, or “Busca Ativa” effort, through which with the collaboration of three levels of government, Federal, State and Municipal agents, as well of the civil organizations, of entrepreneurs, workers, non-governmental organizations would look for any family that anywhere in Brazil should have the right to receive the benefits of the Bolsa Família Program but were still not receiving. These families should be told where to go in the respective municipal administration to enroll in the program and to receive their benefit. The Ministry of Social Development and Fight against Hunger estimates that, since June 2011, about 670 thousand families enrolled in the program out of a total of 800 thousand that will be enrolled by 2013. The estimated budget of the Bolsa Família Program in 2012 is of R\$ 20 billion, about 0.46 of the Gross Domestic Product.

In August, 2011, President Dilma Rousseff signed some agreements with several State Governments to improve even more the Active Search and to improve the Bolsa Família Program. For example, with the Governor Geraldo Alckmin of the State of São Paulo, with the largest population of 41.5 million inhabitants, they signed an agreement through which all families that are being benefitted by the Bolsa Família Program would have the right to receive a complement of income, taking into account their family income from any remuneration plus the Bolsa Família benefit, that would guarantee at least a monthly income of R\$ 70.00 per capita.

In May, 2012, President Dilma Rousseff launched the Brasil Carinhoso Program, or Caressing Brazil Program, through which all families that are being benefitted by the Bolsa Família Program, with children up to six years of age, will have the necessary complement for this family to have a monthly income of at least R\$ 70.00 per month. Notice that in the case of the State of São Paulo, according to the agreement signed in August 2011, the State started to complement whatever would be missing for all families to be receiving at least R\$ 70.00 per capita per month. New measures were also announced, such as the increase in the number of day nursery places, 1.512, as well of infant education schools, 6.427 new units until 2014, and health care initiatives, such as the supplementation of vitamin A, iron to children of poor families and free medication against asthma.

Along with other economic policy instruments, the Bolsa Família Program greatly contributed for the reduction of absolute poverty and the level of inequality in Brazil. The Gini coefficient that had reached 0.599, in 1995, 0.601, in 1996, gradually decreased, every year, reaching 0.594 in 2001, 0.587 in 2002, 0.581 in 2003, 0.569 in 2004, 0.566 in 2005, 0.559 in 2006, 0.544 in 2008, 0.530 in 2009, 0.526 in 2010 and 0.519 in 2012. In spite of the achieved progress, Brazil is still among the most unequal nations in the world. According to the Brazilian 2010 IBGE Census while the

poorest 10% live with 1.1% of the national income, the richest 10% live with more than 44.5%. In 2012 World's Bank list of countries by income equality, Brazil is the 14th with highest Gini Coefficient, or the 14th most unequal nation in the world. In order to move more efficiently to eradicate absolute poverty as well to achieve greater equality and guarantee greater real freedom for all, Brazil should implement a Citizen's Basic Income.

In 1992, when both myself and Antonio Maria da Silveira were quite happy with the approval by the Senate of the Bill to institute a Guaranteed Minimum Income through a Negative Income Tax, after his return of a trip to the USA and Europe, I asked him about the debate of our theme. He answered that now people were speaking about the Unconditional Basic Income and gave me the book edited by Philippe Van Parijs, "Arguing for a Basic Income. Ethical Foundations for a Radical Reform." (1992) Verso, London. My first reaction was that we should pay a minimum income only to those that did not have enough. But more and more, after studying the advantages of the proposal in the more and more enriching literature and starting to participate, from the V International Congress of BIEN in London, and in almost all of the following ones, I became a full enthusiast of the Unconditional Citizen's Basic Income to the point of dedicating most of my energy and time, even as a Brazilian Senator, elected three times for eight year terms each, in 1990, with 4.2 million votes or 30% of the valid votes; in 1998, with 6.72 million votes or 43%; in 2006, with 8.986.803 votes or 47.82%.

As a Professor of Economics at the School of Business and Public Administration, of the Getúlio Vargas Foundation, where I continue to teach every Friday afternoon, or as a Senator, I have been lecturing about the advantages of the CBI, not only to my students or the Senators at the Senate Tribune or in the Commissions, but in hundreds of auditoriums all over Brazil and in so many countries where students, workers, social movements, entrepreneurs, intellectuals, journalists, members of the parliaments, executives and their assistants in all levels of governments are willing to learn about why we should pay a CBI to everyone, no matter origin, race, age, sex, civil or socioeconomic condition. In recent weeks, since in Brazil municipal elections for mayors and city council representatives are to be held in all 5.565 municipalities, I have been trying to persuade all candidates, especially of my Worker's Party and of our colligated parties, that they should have an objective to make their own city a pioneer example of the Citizen's Basic Income.

From August to November, 2011, in São Paulo, the largest city of Brazil, with 11.3 million inhabitants, the PT or Worker's Party organized 33 plenary meetings in the several different zones of the municipality, for all affiliates and people with affinity to debate and listen to the five pre-candidates for Mayor. I was one of them. In all meetings I have used half of my 15 minutes time to explain the advantages of the Citizen's Basic Income. My arguments were approximately as follows:

The Citizen's Basic Income will be paid to all unconditionally. But even those who have so much success in their activities, so well off and who do not need a basic income for their survival? Yes. But, of course, those of us who have more than enough for our survival will contribute for ourselves and for everybody else to receive.

It is much easier for everybody to understand that everyone will have the right to receive, say, from January on, a monthly income that might start from a value, say, of R\$ 70.00 per month, that in the next few years will be R\$ 100.00, R\$ 150.00, R\$ 300.00, R\$ 700.00, more and more with the progress of the city and of Brazil, as the right of everyone to participate, at least partially, in the development of the Nation. It is much easier to understand than the Bolsa Família Program that required at least three minutes to explain with all its requirements and rules.

With the CBI we will eliminate all the bureaucracy involved in having to know how much each person is earning in the formal or informal market.

We will also eliminate the stigma or sentiment of shame of having to say that a person receives only that much and that is why he or she needs a complement of income.

We will also eliminate the dependency phenomena that occurs when you have a system that says: if a person does not receive *that* much, she will have a complement of income of *this* much. The person then is considering to accept or not an economic activity that will result in such an income. But if he/she does that activity, receives that much, and then the government cuts what he/she was receiving in that income transfer program then he/she might decide not to work and get himself/herself in the unemployment or poverty traps. But if everybody receives the CBI, he/she will always progress with any economic activity that he/she performs.

But won't people become lazy? What are we going to do with those that are not employed and that are not interested in becoming employed if they receive a CBI? What are we going to do with those that have a natural tendency to be vagabonds? Normally, I ask if in the auditorium there are persons with such a tendency. Many times nobody raise their hands. When it happens, normally one or two, I ask them to have a conversation with me before the audience. How come they are vagabonds if at this time of the day or night they are there to discuss ideas about how are we are going to improve the quality of life of everyone?

Let us think about our human nature. Every one of us loves to do so many things, even if we don't receive any remuneration in the market. For example, the mothers, when they are nourishing their babies. Or, we fathers and mothers, when we are taking care of our children, for them to be well fed, not to be injured, to be well educated, we do it with love. Or when our parents and grandparents are old and need to have our assistance. In all city district associations, or churches of all denominations or in the student directories, how many of us like to do so many activities for the simple fact that we like to feel helpful? When the great painters Vincent Van Gogh and Amedeo Modigliani painted their works, they used to go out in the streets to try to sell them, to obtain their survival, but they could not have enough. Both of them got ill and died precociously and today their paintings are sold by millions of dollars.

Our Constitution, like that of so many countries, says that we respect private property. This means that if a person is the owner of a factory, a farm, a bank, a hotel, a restaurant, a financial title, a real property, the person has the right to receive the income from his property in the form of profits, interest or rents. Does our main law say that, in order to receive those incomes from property, the person must

necessarily show that he/she is working, and that he/she is sending his/her children and adolescents to school? No. And normally those who are better off do work, and even voluntarily during part of the day, and they also send their children and adolescents to the best schools.

Therefore, if we allow those who are better off to receive their income from property without any of these requirements, why don't we allow everyone, rich and poor, to receive a CBI as a citizen right of everyone to participate at least in part of the common wealth of our city, state and our nation? It is a common sense proposal, even more when we consider certain aspects of our history. Allow me to take as an example the fact that for more than three centuries millions of people were pulled out of their home country, in Africa, to contribute to the accumulation of capital of so many families without any remuneration except to live in the slave quarters and having such a nutrition that made the slaves to have a life expectation of a little more than 30 years of age. Or when we consider recent aspects of our life, such as the fact that President Lula used to say that God is Brazilian, came to live in Brazil and that helped Petrobrás, the Brazilian Oil Company, to find huge reserves of oil deep in the pre-salt area of the Atlantic Ocean and that will allow Brazil in the near future to really eradicate absolute poverty, provide good educational opportunities to all, promote scientific, cultural and technical progress, have a good public health system and also take care of the environment.

The most important advantage of the CBI, however, is from the point of view of dignity and freedom of each person. From the point of view of what Professor Amartya Sen, the Nobel Prize Economist says in "Development as Freedom" (1999).⁶ That development, to be meaningful, must mean a greater degree of freedom for the whole population. For example, for the worker in the rural areas or in the Amazon Forest who sometimes doesn't have any other alternative than to accept working conditions that remind us from the time of slavery; or from the point of view of the young lady who, for having no alternative to buy food for their children and their family and then decides to sell her body, or for the young fellow, so well characterized for example in the rap or hip-hop songs of the "Racionais MC's", like The Man on The Road, of Mano Brown, who has no other alternative to provide for his family except by becoming a member of the drug traffic gang, they will all, if they start receiving the CBI as well as all members of their family, be able to say NO before the only alternatives that will affect their dignity, health and put their lives in risk. They will be able to wait and, perhaps, enroll in a formation course, until they can find an opportunity that is more adequate for their vocation and will.

As so well explained by Philippe Van Parijs in "Real Freedom for All. What (if anything) can justify capitalism?"⁷ the CBI will elevate the degree of freedom to all. More than that, it will help the society to better apply the principles of justice as formulated by John Rawls in his "A Theory of Justice" (1971)⁸. The Principle of Equal Freedom, according to which everyone should have a set of basic freedoms that should be extended to all persons in society; the Principle of Difference, according to

⁶ Sen, Amartya (1999), *Development as Freedom*, Oxford, Oxford University Press.

⁷ Philippe Van Parijs (1995) *Real Freedom for All. What (if anything) can justify capitalism?* Oxford. Oxford University Press.

⁸ John Rawls (1971) *A Theory of Justice*. Harvard, Harvard University Press

which any socio-economic difference that exists in a society can only be justified if it is to the benefit of those who have the least and in such a way as to provide equal opportunities to all. That is the Principle of Equal Opportunity. Van Parijs argues that much better than the Guaranteed Minimum income, through a negative income tax argued by John Rawls that would be an instrument that would help the application of the three principles, the CBI, for all the advantages listed above, mainly the elimination of stigma, will be much more efficient in putting them into practice.

Normally, after explaining the above arguments I asked the audience in the auditoriums: "Please raise your hand those who did not like the proposal and would not recommend it to any of our candidates." Normally nobody raised their hands.

"Now, please raise your hands those that would recommend to any of us that is chosen to be our candidate for mayor to make São Paulo an example of the application of the Citizen's Basic Income." Normally the whole audience has raised their hands. In the last of our plenary meeting, on November 5, 2011, the ex-Ministry of Education of both President Luiz Inácio Lula da Silva and President Dilma Rosseff, Fernando Haddad, who has studied Law and Economics, mentioned before my talk that if he were to become the candidate, he would incorporate this objective in his platform. Just after that, I said to that audience of 1,300 people, the largest of the 33 plenary meetings, that I would support him with all my energy as our PT mayor candidate. He was the chosen one. The other candidates, Senator Marta Suplicy had already quit a few days before as a pre-candidate, taking into account the appeal of both President Lula and President Dilma, and Federal Deputies Gilmar Tatto and Carlos Zarattini also decided to support Fernando Haddad few days later.

Last August 13, Fernando Haddad launched his official program, "A New Time for São Paulo", approved by consensus during the PT Municipal Convention, with 124 pages. In the chapter "Social Solidarity" there is a sub title with the following words:

" Citizen's Basic Income

The Citizen's Basic Income – CBI – will be implemented step by step, under the Executive criteria, in association with the State and Federal Governments, benefitting equally all inhabitants, no matter origin, race, age, civil or socioeconomic condition. Implementation will be gradual, step by step, until one day in the future it becomes a benefit with universal character.

There is already one municipality, Santo Antonio do Pinhal, with 6.600 inhabitants, the Mayor of which, José Augusto de Guarnieri Pereira, decided to send a Bill of Law to the City Council that was unanimously approved, 9x0, in November 2009, the Law 1090/2009, that says that a CBI will be instituted step by step for all citizens living there, either born there or living there for five years or more. The Municipal Council of the CBI is now discussing and defining which will be the steps as explained in the paper presented at this XIV International Conference of BIEN by Marina and Francisco Nóbrega, Tereza Nakagawa and myself.

In the same way that the Bolsa Família Program started locally, in municipalities, it is perfectly possible that the CBI starts in several localities as in Namibia where we are having the bright experience of Otjiviero which I visited in February 2011. It was a very encouraging experience.

The main difficulty for the Citizen's Basic Income really be established, of course, in spite of all the qualities mentioned above, is that it costs a lot. Even if we start with a very modest CBI of R\$ 70.00 per month, so as to be at least as good per capita as the level of the Bolsa Família Program that is presently paid to the beneficiaries, this would mean an annual cost of R\$ 840.00 times 194 million inhabitants, or R\$ 160,692,000,000.00. This sum is around 8 times the annual budget of the Bolsa Família Program for 2012 of R\$ 20 billion which amounts to 0.46 of the Brazilian Gross Domestic Product. A jump to almost 4% of the GDP cannot be done in a short period. Especially when we consider all the demands that the Federal Government is continuously being asked to attend in all sectors such as in Education, Health, Infrastructure, Housing, Sanitation, Environment Protection, Social Security, and Improvements of Wages in the Public Sector where many employees are on strike as this paper is written, in August 2012, and so on.

I have presented a Bill of Law N. 82/1999, already approved by the Senate, but with a long time being considered by the Chamber of Deputies to create a Citizen's Brazilian Fund that would be formed in a similar way as the Alaska Permanent Fund, out of a proportion of the royalties of the exploitation of natural resources as well as of the revenues from public services, of rents of public real estate and other sources. But it is difficult for such a project to have the green light of the Executive for its approval in the light of so many demands of the Brazilian society. At this time in the National Congress there is a sharp debate and dispute by representatives and senators of the 26 States and the Federal District regarding the destiny of the resources that will result from the exploitation of the rich oil reserves that were found deep in the pre-salt area of the Atlantic Ocean.

During the IV National Congress of the PT, in February 2010, the approved Presidential Candidate Dilma Rousseff, it was also approved by consensus of all 1350 delegates that, during her government, there will be the transition from the Bolsa Família Program to the Citizen's Basic Income. Much energy and effort has to be made for this to become a reality.

I am persuaded that once a country in Latin America introduces a Citizen's Basic Income it will have a competitive advantage towards the other countries. It may induce the others to follow the example. In the same way that the introduction of the Earned Income Tax Credit in the USA led other countries like the United Kingdom and many others to create the Family Tax Credit and similar Income Transfer Programs. On the day that the three Americas institute a Citizen's Basic Income, from Alaska to Patagonia, following the positive example of Alaska, that has an equal dividend paid to all its citizens unconditionally since 1982, that has contributed to make it the most equal of the 50 American States, we won't need any more walls that separates the USA from the rest of the Latin American countries. The Citizen's Basic Income can become a powerful instrument of integration of Latin America.

Attached to this paper are the Proposals for the 23 countries of Latin America and the Caribbean that I and Federal Deputy of Ecuador, Maria Soledad Vela Cheroni will present to the next meeting of the Parlatino about the possible implementation of the Citizen's Basic Income in our continent. During the last meeting of the Commission of Economic Affairs of the Parlatino in Curaçao, in July 26 and 27, 2012, President Rep. Rodrigo Cabezas Morales, from Venezuela, formed a group with the participation of Maria Soledad Vela Cheroni, Eduardo Matarazzo Suplicy and Rodrigo Cabezas

Morales with the aim of consolidating both proposals into one to be presented to the next meeting of the Commission of Economic Affairs of the Parlatino, to be held in Buenos Aires, next November. Once approved, it will be presented to the Plenary Session of the Parlatino as an initiative to be considered by all 23 countries, next December, in the City of Panama.

Borrador de Proyecto sobre la Renta Basica de Ciudadania Para Los Paises de America Latina e Caribe

Senador Eduardo Matarazzo Suplicy (Brasil, PT-SP)

El *Congreso* Nacional decreta:

Art. 1º Es instituida, a partir de xxxx, la Renta Básica de Ciudadanía, que se constituirá en el derecho de que todos los residentes en el país y extranjeros residentes hace por lo menos 5 (cinco) años en Brasil, independientemente de su condición socioeconómica, reciban, anualmente, un beneficio monetario.

§ 1º El alcance mencionado en el **encabezamiento** de este artículo deberá ser logrado en etapas, a criterio del Poder Ejecutivo, priorizándose los sectores más carenciados de la población.

§ 2º El pago del beneficio deberá ser de igual valor para todos, y suficiente para cubrir los gastos mínimos de cada persona con alimentación, habitación, educación y salud, tomando en cuenta para eso el grado de desarrollo del País y las posibilidades presupuestarias.

§ 3º El pago de este beneficio podrá ser hecho en cuotas iguales y mensuales.

§ 4º El beneficio monetario previsto en el **encabezamiento** de este artículo será considerado como renta no tributable a efectos de incidencia de Impuesto.

Art. 2º Le Corresponderá al Poder Ejecutivo definir el valor del beneficio, en estricta observancia de la legislación fiscal.

Art. 3º El Poder Ejecutivo deberá instituir el Fondo de Ciudadanía destinado a la transferencia de recursos y a la oferta de financiamiento de la Renta Básica de Ciudadanía.

Párrafo único. Este es un fondo contable, de naturaleza financiera, subordinándose, cuando corresponda, a la legislación vigente.

Art. 4º Constituyen recursos del Fondo:

I - dotaciones consignadas en el Presupuesto Anual;

II- veinticinco (**quince/diez**) por ciento de los recursos oriundos de la concesión de servicio público y de obra pública, así como del permiso o autorización para la prestación de servicio público;

III - veinticinco **(quince/diez)** por ciento de los recursos oriundos de la autorización o concesión de las actividades de búsqueda y explotación de recursos minerales y del aprovechamiento de los potenciales hídricos;

IV - veinticinco **(quince/diez)** por ciento de los recursos oriundos de la contratación, con empresas estatales o privadas, de la realización de las actividades de búsqueda, minería, refinación, importación, exportación y transporte de petróleo, gas natural y otros hidrocarburos;

V - cincuenta por ciento de los ingresos oriundos de los inmuebles pertenecientes al Estado;

VI - otros bienes, derechos y activos del Estado, así como créditos y transferencias que le sean asignados;

VII - rendimientos de cualquier naturaleza, obtenidos como remuneración, derivados de la aplicación del patrimonio del Fondo;

VIII - donaciones, contribuciones en dinero, valores, bienes muebles e inmuebles que reciba.

Párrafo único. Los saldos verificados al final de cada ejercicio serán obligatoriamente transferidos para crédito del Fondo en el ejercicio siguiente.

Art. 5º La Ley Presupuestaria Anual deberá prever dotación suficiente para aplicar la primera etapa del proyecto, observado lo dispuesto en el Art. 2º de esta Ley.

Art. 6º Esta Ley entra en vigor en la fecha de su publicación.

Justificativa

El profesor del Massachusetts Institute of Technology, MIT, Robert M. Solow, premio Nobel de Economía, le da la bienvenida al debate sobre la viabilidad de la Renta Básica incondicional, en el prefacio del libro *What's Wrong with a Free Lunch?* (¿Cuál es el problema de un almuerzo gratis?, 2001) de Philippe Van Parijs y argumenta en defensa de una renta básica, debatiendo con autores como Herbert A. Simon, Anne I. Alstott, Wade Rathke, Emma Rotschild y otros.

La renta básica universal a nivel de subsistencia contribuiría, según Van Parijs, a promover la justicia social aumentando la libertad de los individuos, mejoraría la vida de las mujeres y ayudaría a preservar el medio ambiente. Robert Solow, al considerar actitudes que difieren de las que prevalecen actualmente sobre el trabajo y la remuneración, afirma que esta idea, en lo que se refiere al derecho básico conferido a todas las personas y en función de presentar un costo sustancial, necesita ser seriamente examinada en lo que atañe a sus ventajas y desventajas. Este debate, originariamente publicado en el periódico *Boston Review* de octubre-diciembre de 2000, tanto como los trabajos posteriores de Philippe Van Parijs, constituyen indicativos de cómo esta propuesta ha madurado claramente en este comienzo del siglo XXI.

Vamos a aclarar del concepto de la mejor forma posible y a dirimir algunas dudas.

La renta básica es una renta pagada por una comunidad – puede ser una villa, un municipio, un estado, un país, un conjunto de países, un continente – a todos sus miembros individualmente, independientemente de origen, raza, sexo, edad, condición civil o socioeconómica. Por lo tanto, este derecho no está condicionado a la situación financiera o a cualquier exigencia de trabajo.

La renta básica es pagada en dinero, no en forma de bienes o servicios, ni de cupones o sellos que solamente pueden ser gastados en cierto tipo de bienes, tales como alimentos. No involucra ninguna restricción relativa a lo que una persona va a hacer con los recursos, en lo que atañe a la naturaleza o al ritmo del consumo o de la inversión que ella ayuda a financiar. Ella complementa y no substituye transferencias en forma de bienes y servicios existentes, tales como los servicios de educación y de salud pública.

La renta básica es pagada de manera regular, a intervalos que pueden ser de un mes, o con otra frecuencia, por ejemplo, una vez al año. Puede ser pagada en cheque o por medio de tarjeta de crédito con validez de un año, con derecho a realizar un retiro mensual.

La renta básica puede ser pagada por una comunidad política, por un gobierno municipal, estadual, o preferiblemente por la Federación, de manera ideal, mediante la coordinación de esfuerzos de los tres niveles de gobierno, pudiendo haber algunos procedimientos que sean adoptados por las naciones del mismo continente, con miras a garantizar derechos sociales similares a todos los seres humanos. Se podrá pensar, por lo tanto, que un día, el derecho de participar de la riqueza de las Américas será extendido a todos los residentes, desde Alaska hasta la Patagonia.

La renta básica puede ser financiada de manera específica y vinculada, relacionándosela al valor adicionado en algunas, o en todas las actividades productivas, o simplemente puede ser pagada por el conjunto de ingresos de diferentes fuentes, incluyendo los dividendos de activos de propiedad pública, como los demás gastos gubernamentales.

La renta básica es pagada a todos los miembros de la sociedad, siendo posible exigir un tiempo de residencia mínimo, como por ejemplo de un año, en el caso de Alaska. Este derecho debe ser de todas las personas, sin que sea verificada su situación financiera, por lo tanto con un sentido *ex ante*, a diferencia de los sistemas que normalmente operan *ex post*, o sea, después de que se verifica la renta del beneficiario.

La renta básica no vuelve más ricos a los ricos, porque los relativamente más ricos contribuyen más para su financiamiento, mediante el pago de impuestos, que las personas que son relativamente más pobres.

De todos modos, esta es siempre una cuestión que nos intriga: ¿será efectivamente mejor para los más pobres que también sea dada a los ricos? La primera vez en que me deparé con el concepto de renta básica, mi reacción fue de que primeramente se debería otorgar el derecho a los que poco o nada tienen, como en el proyecto de ley que presenté en el Senado brasileño, en abril de 1991, que instituye un impuesto a la renta negativo. Actualmente, sin embargo, observo que la experiencia y la reflexión acumuladas indican que la renta básica será mejor para los pobres que la alternativa de una renta mínima garantizada condicionada a la verificación financiera de los beneficiarios, por las siguientes razones:

1. El porcentaje de cobertura de los beneficiarios es mucho mayor en un sistema universal que si fuera necesario proceder a la verificación de cuánto gana cada persona.

2. No hay ningún estigma, sentimiento de vergüenza o humillación en recibir un beneficio que es concedido a todos por una cuestión de ciudadanía. Se elimina todo procedimiento burocrático e intrusivo de control para saber si la persona es o no carenciada.

3. En un sistema de renta básica, el pago regular del beneficio no es interrumpido cuando una persona acepta un empleo con renta por encima de un determinado nivel, como sucedería en un sistema convencional, condicionado a la situación financiera de los beneficiarios. Esto significa eliminar un elemento de la trampa del desempleo comúnmente asociado a sistemas convencionales de beneficios.

La renta básica hace valer siempre el esfuerzo del trabajo. Ya que la persona puede mantener el valor integral de su renta básica, esté trabajando o no, ella seguramente estará en una situación mejor cuando esté trabajando que cuando esté desempleada.

El hecho de que la renta básica sea ofrecida a cada persona, independientemente de que esté trabajando o de que esté dispuesta a trabajar, provoca un importante efecto en el mercado de trabajo. La renta básica le da al trabajador un poder de negociación y una libertad de opción mucho mayor que si no existiera. Le proporciona a los trabajadores una posibilidad mucho mayor de opción frente a ofertas de trabajo caracterizadas por condiciones humillantes, subhumanas o similares a la esclavitud. Para las personas que a veces no encuentran alternativa

de supervivencia que no sea la venta de su cuerpo, la prostitución, o la oferta de sus servicios a bandas de narcotráfico, la renta básica puede representar la recuperación de la dignidad.

Hay que hacer el cálculo para verificar que, posiblemente, ofrecer la renta básica a todos no sea más caro, sino más barato que dársela solamente a los pobres. Con una tecnología informatizada y eficiente de recaudación de impuestos y pago de transferencias, es probable que los costos sean más bajos en un sistema universal en que todos sepan previamente que serán beneficiados.

Es perfectamente posible ir gradualmente desde los diversos diseños de programas de renta mínima y seguridad social hacia la renta básica universal, con miras a asegurar a todas las personas el derecho inalienable de participar de la riqueza de la nación y de tener lo suficiente para satisfacer sus necesidades vitales.

Annex II

PROYECTO DE LEY MACRO DE RENTA BÁSICA PARA EL PARLATINO PROPUESTA MARÍA SOLEDAD VELA - ECUADOR

Considerando

QUE, el artículo 25 de la Declaración Universal de los Derechos Humanos dice: “Toda persona tiene derecho a un nivel de vida adecuado que le asegure, así como a su familia, la salud y el bienestar, y en especial la alimentación, el vestido, la vivienda, la asistencia médica y los servicios sociales necesarios; tiene asimismo derecho a los seguros en caso de desempleo, enfermedad, invalidez, vejez y otros casos de pérdida de sus medios de subsistencia por circunstancias independientes de su voluntad.”

QUE, la Declaración Universal de Derechos Humanos Emergentes de Monterrey habla del derecho a la subsistencia, en tal sentido, el Título I “Derecho a la Democracia Igualitaria”, en su artículo 1, numeral 3 dice:

“Art. 1.- Derecho a la existencia en condiciones de dignidad. Todos los seres humanos y las comunidades tienen derecho a vivir en condiciones de dignidad.”

3. El derecho a la renta básica o ingreso ciudadano universal, que asegura a toda persona, con independencia de su edad, sexo, orientación sexual, estado civil o condición laboral, el derecho a vivir en condiciones materiales de dignidad. A tal fin, se reconoce el derecho a un ingreso monetario periódico incondicional sufragado con reformas fiscales y a cargo de los presupuestos del Estado, como derecho ciudadano, a cada miembro residente de la sociedad, independientemente de sus otras fuentes de renta, que sea adecuado para permitirse cubrir sus necesidades.”

QUE, todas personas en condición productiva a través de su laborar cotidiano generan bienes y servicios con fin de lucro o sin fines de lucro que contribuyen al desarrollo económico social cultural y político de los países.

QUE, es un derecho que nace desde nuestro real compromiso de entrega de bienes y de servicios, el reconocimiento de la economía social y solidaria. El sistema económico está constituido por el sector privado, por el sector estatal y la economía social y solidaria y sin prevalecer el lucro y en formas basadas en la reciprocidad que deben ser socialmente reconocidas como el trabajo no remunerado del hogar la agricultura familiar vinculada a la soberanía alimentaria, los trabajadores de la cultura entre otras.

QUE, la Declaración de los Objetivos del Milenio de 8 de septiembre de 2000, señala en su tercer compromiso “el desarrollo y erradicación de la pobreza” y compromete a todos los países firmantes a “no escatimar esfuerzos para liberar a nuestros semejantes, hombres, mujeres y niños, de las condiciones abyectas y deshumanizadoras de la pobreza extrema, a las que en la actualidad están sometidos más de 1.000 millones de seres humanos”, por tanto los gobiernos harán

todo lo posible para que todas las personas tengan el derecho al desarrollo y al abrigo de la necesidad.”

QUE, a pesar de los numerosos esfuerzos realizados, por los diferentes gobiernos en América Latina, los índices de pobreza y de desigualdad no han mejorado demasiado en los últimos años y, en muchos casos, han sufrido un declive importante en términos relativos.

Los Estados Parte del PARLATINO expedimos la siguiente

LEY MARCO DE RENTA BÁSICA

Artículo 1. Definición.- La renta básica es el derecho humano de toda persona que resida en los Estados Parte a percibir una transferencia periódica, como uno de los mecanismos que permita una mejor distribución de la riqueza y que cubra, al menos, las necesidades vitales sin que por ello deba contra-prestación alguna sin perjuicio de que todas las personas que integran la sociedad estén vinculadas a la producción de servicios socialmente necesarios, como el economía del cuidado, el servicios religioso, el trabajo de la cultura entre otros.

Artículo 2. Características de la Renta Básica.- El derecho humano a la Renta Básica, es fundamental, irrenunciable, inalienable, imprescriptible e inembargable. Asegura a toda persona, sin ningún tipo de discriminación, el derecho a vivir en condiciones materiales de dignidad a través de una eficaz redistribución de la riqueza.

Artículo 3. Objetivo.- El objetivo de la Renta Básica es garantizar la efectividad de los derechos de del buen vivir y mejorar las condiciones de vida con equidad para las personas nacionales o extranjeras que habitan en los Estados Parte.

Artículo 4. Finalidades de la Renta básica.- Se entenderán como tales las siguientes:

Garantizar a las poblaciones de los estados partes un nivel básico de subsistencia digna que permita su promoción social y desarrollo autónomo.

Generar un mecanismo de aseguramiento contra la pobreza por ingresos y consumos, en el contexto de las necesidad de cada nación

Generar el desarrollo humano de las ciudadanas, ciudadanos y de las personas extranjeras residentes en los Estados Parte por más de cinco años.

Crear mecanismos para la erradicación de la pobreza en los Estados Parte.

Promover y garantizar los derechos económicos y sociales en concordancia con las características propias de los diversos grupos poblacionales en correspondencia a sus diversas identidades y tradiciones culturales.

Construir y fortalecer el tejido social.

Garantizar el derecho a una alimentación digna y en correspondencia con sus diversas identidades y tradiciones culturales.

Suprimir la arbitrariedad y establecer la progresividad en la selección de beneficiarios y ejercicio del derecho.

Desarrollar la equidad retributiva reconociendo el trabajo que realizan sectores como la economía del cuidado, los servicios religiosos, trabajo cultural, entre otros

Art. 5. Principios.- El derecho a la Renta Básica se fundamenta en los principios de individualidad, universalidad, incondicionalidad, igualdad, cobertura básica, participación y equidad contributiva.

Universalidad.- La Renta Básica será percibida por todas las personas residentes en los Estados Parte, sin discriminación alguna por razones de género, edad, origen racial o étnico, orientación sexual, política, por discapacidad, diferencia física o cualquier otra razón.

Individualización.- La Renta Básica será percibida a título individual y vitalicio.

Incondicionalidad.- La Renta Básica se asignará independientemente del nivel de ingresos o inserción laboral del individuo en el mercado de trabajo, o del tipo de familia a la pertenezca el individuo.

Igualdad.- La cantidad a percibir por concepto de Renta Básica, será la misma para todas las personas, su cuantía debe ser por lo menos igual a la definida por el umbral de pobreza.

Participación.- Toda la ciudadanía tendrá derecho a participar en el proceso de toma de decisiones y en el control sobre la distribución del Fondo Renta Básica destinado a la mejora de los bienes y servicios públicos.

Cobertura Básica.- Debe satisfacer las necesidades básicas de todos los individuos.

Artículo 5. Naturaleza de la Renta Básica.- Es la prestación complementaria de carácter retributivo, será subsidiaria de cualquier otro tipo de recursos y prestaciones sociales económicas previstas en la legislación vigente.

Artículo 6. Sujeto activo del derecho de la Renta Básica.- Se considera como sujetos de derecho todas las ciudadanas y los ciudadanos desde su nacimiento hasta la muerte y las personas extranjeras que hayan residido en el Estado Parte por lo menos 5 años de forma continua.

Art. 8. Vigilancia en el cumplimiento de la Renta Básica.- La Función Ejecutiva de los Estados Parte, a través de sus órganos de control, verificará la entrega efectiva de la que por Renta Básica reciban sujetos de este derecho. La ciudadanía podrá participar en dicha tarea de control, a través de las instancias y mecanismos que se creen para ello.

Art. 9. De los Montos de la Renta Básica.- Los Estados Parte deberán transferir los montos mensuales de la renta básica de acuerdo a su situación teniendo como referencia una canasta de cobertura básica.

Artículo 10. Ejecución.- Los Estados Parte para la aplicación de renta básica analizarán su realidad económica interna.

Para la implementación, los Estados Parte podrán iniciar con transferencias monetarias y otros beneficios de aseguramiento del ingreso involucrando progresivamente a los distintos grupos de personas que conformar los quintiles de menores ingresos hasta ir incorporando sucesivamente a todos y todas las y los ciudadanos.

Artículo 11. Financiamiento y sostenibilidad.- Los Estados Parte se comprometen a implementar mecanismos de financiamiento progresivo para la cobertura de la renta básica a través de instrumentos fiscales redistributivos de ingresos y gastos de fuente fiscal permanente, en el marco de la construcción de pactos fiscales nacionales.