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Basic income is no longer a utopia

The pandemic leads various countries to try non-universal direct transfer plans to compensate for the reduction in the income of their citizens

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At their peak, all crises seem called to change the world. The Great Recession of 2008 [was to be that of the re-foundation of capitalism](#). The sovereign debt of southern Europe, which would lay the foundations for a new, more united Union. And this, that of the coronavirus, "will write a new world with other rules," as [the European Commissioner for the Internal Market, Thierry Breton](#), [pointed out last week](#). Most likely, as on the previous two occasions, that axiom will end up being blown away by the wind and the rudder turn will be left in just good words.

However, far from the high-sounding speeches and out of the great foci, some ideas hitherto considered niche are beginning to take root: basic income (universal or not), a kind of guarantee of income to citizens for the mere fact of being, has added more followers in just a few days than in years, making an exponential leap in public debate and presenting a solid candidacy in the menu of possible solutions to get out of the economic and social impasse of the pandemic. And, even more importantly, it is beginning to sink in on the facts, with different governments launching their own versions of this tool to combat a recession that is already, [in the words of the IMF's managing director, Kristalina Georgieva, "as bad or worse than 2009"](#).

The United States, a country in which the debate on basic income was confined to relatively tight academic fields and minority electoral proposals, such as that of the former Democratic candidate for the presidential nomination Andrew Yang, has taken a first and decisive step in that direction: it [will give to its citizens \\$ 1,200 \(about 1,100 euros\) in one fell swoop, an amount that is gradually reduced for those who earn more than \\$ 75,000 a year and that only leaves out those who enter \\$ 99,000 or more](#). The goal, according to the White House, is to try to alleviate the decline in income and ensure the

essentials. "The fundamentals are identical [to what I propose]: it is a direct transfer to individuals and households," Yang said in [statements to NPR public radio](#). "The big difference is that I suggest that it be in perpetuity, as a basic right of citizenship to meet basic needs, and the stimulus package is designed to last only a few months."

In parallel, [Brazil has just announced a payment scheme - in this case, much further from universality - of almost 115 euros a month \(half the minimum wage\) for a quarter for 60 million informal workers](#). And Spain is finalizing these days a minimum income that, it seems, will be around 440 euros per month, in line with the aid approved last week for temporary workers who become unemployed due to the economic slowdown unleashed by the virus and with [what the tax authority \(the Airef\) proposed last summer](#). The objective will be, once again, to protect the most vulnerable groups. In other European countries, such as the United Kingdom, "universal emergency income" has also broken into the House of Lords and the House of Commons, but it has not yet permeated the conservative as well as unorthodox Prime Minister, [Boris Johnson](#).

Why a basic income and why now? Its increasingly numerous defenders see it as a useful tool to contain the social emergency suffered by those who have lost their income overnight. And, the champions of the idea add, it would also be a useful tool to reactivate demand [when quarantines can be lifted](#).

Until now, in the Old Continent, contingency has been addressed with group aid and, as in Italy, even with food vouchers to try to reduce the growing social tension in the south of the country. But in Latin America and in the rest of the emerging block, where informality (people who work, but are totally invisible to the State) reaches infinitely higher levels than in the West, managing the crisis is and will be much more complicated.

"In these countries, which are still in an initial phase of the pandemic, basic income should be applied as quickly as possible: you cannot buy soap or have clean water without the money necessary to do so, and it is easier to transfer it directly to the people who organize a complex subsidy scheme," says [Guy Standing](#), professor at the School of Oriental and African Studies at the University of London and author of *Basic Income: A Right for All and Forever* (Past and Present Editorial).

All the schemes designed or put in place since the start of the pandemic are, however, intended to disappear as soon as the tide goes out, as highlighted by [Philippe van Parijs](#), professor at the Catholic University of Leuven (Belgium). "They have a useful purpose and may be the best tool available, but they are intrinsically temporary," stresses the perhaps greatest global ambassador for the concept.

"Many of those who criticized her now defend her"

Basic income has not stopped earning whole over the years in the face of the advance of inequality and the decline of the welfare state. But it is by no means a new idea: it began to sound, although in very small circles, in the 18th century and in its journey it has managed to gather around itself economists of ideological extraction as diverse as [John Kenneth Galbraith](#), [Milton Friedman](#) or [James Meade](#), among others. And it has captivated thinkers separated by two centuries like [Thomas Paine](#) (1737-1809) and [Bertrand Russell](#) (1872-1970). However, it has never been as close to becoming a

reality as today. "I believe in opportunistic utopianism. Crises can provide opportunities for great progress and we must build on the momentum," encourages Van Parijs, co-author of *Basic Income. A radical proposal for a free society and a sensible economy* (Editorial Grano de Sal).

The universal aspect of basic income - the most interesting, but also the most complex due to the associated costs - is attracting greater interest in a time of economic uncertainty, as recognized by [Louise Haagh](#), from the Department of Political Sciences at York University (UK). "The failure of our system is becoming clear both to respond specifically to this crisis and, more generally, to offer real economic security," she said by email. "It is just one piece of the puzzle, but at least it would be a serious attempt to recognize everyone's rights and economic status." Standing also sees a change in pattern: "Many politicians, economists and the media, who in the past have been hostile to the idea, now defend it."

The cost of a permanent basic income and not just an emergency varies, very much, between latitudes. The minimum income proposed in Spain by the current Minister of Social Security, José Luis Escrivá, when he was in charge of the Airef, [would cost 3,500 million euros if the overlaps with other social programs are discounted and would reduce poverty by between 46% and 60%](#). A more ambitious solution, such as a truly universal and permanent basic income of just over 620 euros per month per resident, would imply a burden of almost 190,000 million annually, just under 18% of GDP, [as calculated in 2017 by the BBVA research service](#). To implement it, both in European and emerging countries, it would be necessary to start by waging "a frontal combat against evasion and fiscal competition [between territories], and to rethink the objective of austerity," says Haagh, president of the [Global Network. Basic Income \(BIEN\)](#).

In Latin America, a region crossed by inequality and poverty, and where, therefore, its meaning multiplies, giving all households the equivalent of the poverty line would have a cost to the treasury equivalent to 4.7% of GDP, according to a recent study by [Cepal](#), the UN arm for the economic development of the subcontinent. "It would not cost as much and would provide economic security in a moment of enormous uncertainty," remarks the agency's executive secretary, [Alicia Bárcena](#). "This crisis invites us to rethink the economy, globalization and capitalism. Innovative solutions are required and basic income is one of them". Utopia is closer than ever to becoming reality.