

Basic Income is taking a big step forward in Maricá

By Eduardo Matarazzo Suplicy

It was very inspiring to attend a municipal meeting with thousands of people, residents of Maricá, a municipality of the State of Rio de Janeiro, during a visit on November 2-4. These residents each received a Mumbuca Card of the Citizen's Basic Income, from the hands of Mayor Fabiano Horta (Workers Party - PT), his predecessor Washington Quaqué (who was the initiator of the pioneering municipality program), and their team.

In December 2015, I gave a lecture about human rights and the Citizen's Basic Income (*Renda Básica de Cidadania – RBC*) in São Paulo. When I finished, Maricá Mayor Washington Quaqué said: "I want to apply it in Maricá", Rio de Janeiro state. By early January 2016, every Maricá family enrolled in the *Bolsa Família* (a federal anti-poverty program) would have the right to receive a basic income of up to 10 mumbucas per month in addition to the benefit of the *Bolsa Família*.

Mumbuca is the name of the social currency created by Quaqué in 2013, on the founding of the Mumbuca Bank (*Banco Comunitário Popular de Maricá*, or, simply, *Banco Mumbuca*). The bank was established mainly to provide microcredit to poor families to buy tools and other equipment for work. Local businesses in Maricá accept payment in mumbucas. Each mumbuca is equal to one real (the present Brazilian currency - R\$), matched by a deposit from the municipal budget in the Mumbuca Bank.

In January 2017, the RBC for each family in the *Bolsa Família* program increased to 20 mumbucas. In December 2019, all citizens in families with income up to three minimum wages and enrolled in the unified national registry for social policies began receiving 130 mumbucas per month. This amounted to 42.897 inhabitants, around a fourth of the city's population. When the Covid pandemic struck, the RBC was increased to 300 mumbucas, lasting for as long as necessary under health authorities' recommendation. The benefit was later reduced to 170 mumbucas, and, more recently, in 2023, increased to 200 mumbucas paid to each person in those families.

From November 2023 on, 91.487 inhabitants enrolled in the unified national registry for social policies, in families with income per capita up to three minimum wages, will receive the RBC which is now 230 mumbucas per month. This represents an investment of R\$ 18 million per month, more than R\$237 million (approximately US\$47 million) per year in the Citizen's Basic Income.

Maricá has an advantage: it is located in front of a Petrobrás (the Brazilian national petroleum company) oil field. Petrobrás pays royalties to municipalities fronting offshore oil fields, resulting in a generous amount of revenue. Mayor Fabiano Horta explains that “through the years we have built a strategy for the government: the creation of a Sovereign Wealth Fund that amounts to R\$1.7 billion as of today. We hope to have more than R\$ 2 billion (approximately US\$400 million) in this fund next year to guarantee the finance of social programs like the RBC.”

The social currency Mumbuca has become a powerful instrument for the local economy. Maricá businesses accept it. The numbers show that many citizens of Maricá are becoming entrepreneurs and that the circulation of the Mumbuca has contributed to breaking the cycle of poverty that had afflicted many residents, as explained by Mayor Horta. The mayor believes that in the next five years, all citizens living in Maricá for three years or more, almost 200.000 people, will be receiving the RBC.

Maricá’s development is exemplary. The municipality has not only established the RBC based on a local currency but also has a fine school network, has built and inaugurated an excellent hospital that also serves people from neighboring cities, promotes several forms of cooperatives and solidarity organizations, and, since Washington Quaquá’s time as a mayor, public transportation by the bus system of Maricá is free for everyone.

Summing up, Maricá has been taking steps to guarantee high-quality social services, not just provide inhabitants with a basic income. This means that families and individuals receiving the RBC won't have pay for services now considered part of their social rights. Maricá’s experience constitutes a pioneer example of how to increase dignity and real freedom for all through a Universal Basic Income coupled with free social services.