

# **Five Questions to philosopher Philippe Van Parijs on unconditional basic income and the pandemic**

**For *The Brussels Times*, September 2020**

**The Summer 2020 special issue of *Prospect Magazine* featured “the world’s top 50 thinkers for the Covid-19 age”. You are one of them, as “the godfather of the UBI movement”. According to the magazine, “today’s young UBI enthusiasts draw on the books and tap the networks of this Belgian polymath, who championed the idea of an unconditional basic income before it was fashionable”. What justifies your promotion to “godfather” is no doubt in part the fact that you convened in 1986 in Louvain-la-Neuve the first international conference on basic income, which saw the birth of BIEN, a network that now spans the whole world (<https://basicincome.org>) and whose advisory board you still chair. You also published several books on UBI, including its by now classic philosophical justification (*Real Freedom for All. What (if anything) can justify capitalism?*, Oxford University Press, 1995) and also, recently, an authoritative overview of all aspects of the — henceforth worldwide — discussion (*Basic Income. A radical proposal for a free society and a sane economy*, Harvard University Press, 2017, with Yannick Vanderborght), already translated into several languages, including Chinese and Korean. Has UBI’s hour finally come?**

In these forty years, I have learned not to get excited too quickly. It is true that the idea is coming up right, left and centre. But there are several versions, with distinct purposes. One purpose is to ensure that no one ends up with no income for weeks on end as a result of the lockdown imposed by a government. In many countries, including Belgium, some scheme of “technical” or “temporary” unemployment is triggered, with workers receiving a benefit worth 70 or 80 percent of their wage for a limited period of time. But it is harder to design a scheme that covers satisfactorily the growing category of the self-employed, the platform workers and workers with irregular or “zero-hour contracts”. In several countries, these are the categories that have been growing fastest in recent years. This is what inspired for example a proposal made at the end of March by over 170 members of the British Parliament. They advocated the introduction of an “Emergency Universal Basic Income” for at least the duration of the lockdown, to be paid weekly to all residents and funded by public borrowing. Compared to the existing schemes, including the UK’s so-called “universal credit”, such a genuinely universal scheme would have the advantage of reaching all households with a minimal amount of bureaucracy. But it would have the disadvantage of increasing at a high cost the net income of a majority of people whose problem is not that they have too low an income, but that they cannot spend it due to shop closures. It can therefore be argued that the public debt would be unnecessarily swollen by such a measure, and that something more finely tuned to address the sudden fall in income of the people hit by the crisis would make more sense, even if the targeting is imperfect.

**Is an “emergency basic income” different from so called “helicopter money”, a label sometimes also used to defend an unconditional basic income?**

The purpose is different. When an economy is in a recession, a central bank will want to boost it by pumping more money into it. This is commonly called “Quantitative Easing” and usually achieved by enabling and inducing private banks to lend more to both firms and households. But as interest rates approached the lowest possible level, many economists started pleading for so-called “helicopter money” or “Quantitative Easing for the People”, the “printing” of money to be distributed directly to households. The simplest way of doing so consists of a direct payment of the same amount into the bank account of every resident. Of course, such a payment has an inflationary effect, and it is meant to have one. It is to be used when there is not enough inflation, and it must therefore necessarily be temporary, which is also the case for an emergency basic income or other measures meant to address the immediate impact of the pandemic on the disposable incomes of many households. But its optimal timing is different. Helicopter money is best reserved for the moment businesses can reopen and will welcome a strong demand. The fear sometimes expressed is that, just as firms may not invest even when interest rates are very low, households may not spend but rather hoard the additional income they receive. Some of the proposals for a “QE for the people” therefore propose that this payment should be made in a “melting” currency that loses value through time, so that households would be encouraged to use it straight away. Some of the proposals also exclude households with high incomes and therefore a lower propensity to consume. The case for such measures is well explained in a recent paper by the NGO Positive Money ([www.positivemoney.eu](http://www.positivemoney.eu)). But the recession we are experiencing is very special not only by virtue of its size, but also because economic activity is hampered not only by the lack of demand but also by all sorts of constraints required by the containment of the pandemic. Helicopter money, therefore, cannot be expected to be the magic bullet it could hope to be under different conditions.

**You seem rather lukewarm about these various developments.**

Whether actually implemented or just proposed, measures of this sort serve useful purposes and, in certain circumstances, they can provide the best tool available. But they are all intrinsically temporary. Over more than the short term, they are unsustainable because they are being funded either by deficit spending or by money creation. However, they all share a most welcome virtue. They all boost our awareness of how much better equipped our societies and our economies would be to face challenges such as this one if a permanent unconditional basic income were in place, funded in a sustainable way.

**If such a scheme had been in place, would there have been no need for all the measures improvised by the various governments in order to address the socio-economic consequences of the pandemic and the lockdown ?**

With a permanent unconditional basic income in place, there would be no people left with no income at all, waiting for ad hoc schemes to be implemented or trying to find out how they could access existing schemes they never dreamt of ever needing. Contrary to an emergency basic income, a permanent basic income would not boost the net income of the rich nor need to be funded by a massive increase in public borrowing. The bulk of

it would be paid for by those whose income is not affected by the crisis. This would not make it unnecessary to have social insurance schemes that protect both wage earners and the self-employed against a sudden income loss. But such schemes would come on top of a basic income security provided unconditionally to all. If such a basic income existed at EU level, it would in addition operate as automatic solidarity between member states, with the shock attenuated in the countries hit hardest. Moreover, whenever Quantitative Easing would be required, the pipeline would be ready for it, in the form of an administratively straightforward temporary increase of the basic income regularly paid to all.

**So, do you think that the time is ripe for a fundamental reform of our social protection systems that would incorporate such a permanent basic income, even possibly at the European level?**

I believe in opportunistic utopianism. Crises can provide opportunities for major breakthroughs. In Belgium, universal male suffrage was the product of World War I, and a developed welfare state, like in many other countries, the product of World War II. We do not know at this stage how long, how deep and how wide the economic crisis triggered by the coronavirus pandemic will be. But we must try to use the momentum to restructure our institutions so as to make our economies and our societies more fair and more resilient. Enabling our societies to better cope with a pandemic is of course only one of the reasons for introducing a basic income. After the Swiss referendum and the Finnish experiment, the presidential campaigns of Benoit Hamon in France and Andrew Yang in the United States the many proposals for an “Emergency Universal Basic Income” or for a “QE for the people” in response to the current crisis can further contribute to persuading people that an unconditional basic income is not a ludicrous idea fancied by a handful of eccentrics but a central part of what we need. To make it a reality in a particular national context or at the European level, visionaries and activists are needed, but also, at the right moment, clever institutional tinkerers and courageous politicians.