

Can the basic income lead to economic degrowth ?

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1 Introduction

1.1 Are basic income and degrowth compatible ?

I've been invited here to establish the possible **link between the basic income and the degrowth theories**. In this paper, I'll try to treat two aspects of the question :

1. First I will explain **why introduce a basic income is probably necessary** if we want to go toward an economic degrowth ; an economic degrowth that would be both *fair* and *socially sustainable*.
2. Then, in a second time, we will see if a basic income can lead us on the path of a voluntary degrowth. In other words, **are degrowth and basic income really compatible ?**

1.2 Why we'd rather degrow ?

To be brief, as degrowth militant, I believe our economies, in our rich countries, need to degrow. I strongly believe that :

- We *work* too much.
- We *produce* too much.
- We *consume* too much.
- We « *produce* » way too much *wastes* (at least more than what one planet can afford...).

Therefore, ***we have to*** go toward an economic degrowth. We have to, and, anyway, ***we'd rather to***. We'd rather go toward an economic degrowth **if we want to enjoy more free time** : a time freed from overwork and overconsumption.

2 A fair degrowth.

2.1 A basic needs guarantee.

However, saying that, I must add that **the economic degrowth** I plead for, **should not be an economic recession**. What I mean is that an economic degrowth **should not, in anyway, make the poors worse off**.

In a degrowth economy, everyone should be :

- Able to satisfy his basic needs.
- Able to access to the goods and services we think essential to live a good life.

Thus, if we want to make sure that the poors won't be worse off, we have to arrange things so that everyone could satisfy his basic needs by accessing to the essentials. In short, **we have to insure a basic income** (basic income being here understood in its widest sense, including a package of free access to certain goods and services).

That's why most of the degrowth militants (most of them, but not all of them) are also in favor of a basic income.

2.2 A growth of equality.

So, we want to be sure that the poors won't be worse off in our degrowth society (or in our degrowth transition, considering that degrowth is more a path than a goal). Beside, as degrowth militant, the first degrowth I want is the *degrowth of inequalities*.

=> We are often told that « degrowth » is not a good expression, it's a too negative and scary word. So, instead of a degrowth of inequalities, I probably should say that **the degrowth I want is, first, a growth of equality**.

Here again, a basic income can be very helpfull, especially if we see it as a whole, with :

- The tax system ;
- The redistributive scheme it implies.

As you all know, **the basic income can really help to reduce the unfair and growing gap between richs and poors**. And, of course, the more we increase the amount of the basic income, the more inequalities can be reduced. That is why, if we are to introduce a basic income, I hope its amount will be as high as possible (considering both our budget capacities, and the social impact of the basic income).

Consequently, in our rich countries, **an economic degrowth**, combined with a basic income, **can be fair, making the poors** (say « the less rich ») **better off**. And better off twice, in fact :

- Better of regarding their **absolute situation** (as they would all have access to the essentials).
- Better of, again, regarding their **relative position** in the society (as the inequalities would be reduced).

To sum up, at this point of my speech, I would say that, **if we want a fair and sustainable degrowth, we probably need to introduce a basic income**. But now, the real question is : if we introduce a basic income, can we really and reasonably expect to go toward a degrowth or, at least, a no-growth society ? In other words, **can the basic income be a factor of degrowth ?**

3 The basic income, factor of degrowth.

I don't think there is a sure answer to this question. All we can do is try to foresee the different options. Unfortunately, I believe that **the introduction of a basic income can either lead :**

- To a **boosted growth**.
- Or to a **voluntary economic degrowth**.

First, it can lead to a boosted growth. As we have seen, the basic income can be thought as a redistributive device, transferring income from the rich toward the poor. Now, we also know that poor households save less money and spend a larger part of their income than the rich ones. That's why **we could expect the introduction of a basic income to increase the global consumption** and, in the end, to boost economic growth (following the keynesian theory).

This is a possibility, and I'm sure that some of the basic income militants usually use that kind of argument to convince politicians of the interest of that measure. They are totally right, this is one possibility. But, fortunately, from my point of view of course, there is another one (at least another one...).

3.1 The basic income and the right to laziness.

As I said at the beginning of my speech, I am convinced that we work too much and we consume too much. That is why I strongly believe we should degrow.

What's amazing here is that, I know as a fact, that **many people would like to work less, even if it means earn less money and consume less**.

=> For example, in France, there are twice more people who want to work less, than people who want to work more. If they had the choice, those people (almost 40% of the french workers) would work less because they value more

their free time than the wages their earn selling it.

The problem is, they don't have the choice. They can't choose their work time, so they can't do the arbitration between wages and leisure, between income and free time. Consequently, they have to work too much, and instead of a ***purchasing power***, they get what I call a « ***purchasing duty*** ». They have to consume their overproduction, so they have to consume too much. This mechanism is probably **one of the main springs of the growth society**.

How can a basic income break this spring ? I can see **two ways** resulting from two of the various questions the basic income asks :

- « How much is enough ? »
- « What is socially useful ? »

1. First, the basic income debate brings us to ask « **how much is enough ?** ». Indeed, when you talk about basic needs (as the basic income aim to cover those basic needs), you get to question yourself about :
 - What is enough ?
 - What is too much ?

Thus, if I give you a basic income, you are going to ask yourself : is it enough ? If yes, good, you won't have to work. If not, the question is : how much will you have to work to have enough ?

This is called « traditional logic » by Max Weber. A « **traditional logic** » (« **enough is enough** »), opposed to the « **capitalist logic** » (« **more is better** »). This traditional logic can be the foundation of a degrowth society. Why should I work more if I already have enough ? This is clearly a degrowth path.

Why should we work too much, produce too much and consume too much, if we already have enough ? It is a crucial question and, once you have asked this question, I am convinced it is the beginning of the degrowth.

2. To be clear, I am not saying that, if we introduce a basic income, people would suddenly and miraculously become virtuous, sharing wealth, saving the planet and all... The basic income can probably do a lot of things, but turn people to virtue is surely not one of them.

I simply think that, if we have the financial possibility to work less, and if we introduce the right (the legal right of course, but, even more important, the *moral* right) to do so, we could be *tempted* to work less, to be lazy. We could finally assert our « **right to laziness** ». And that right leads directly to degrowth !

3.2 A local and allocated income.

Nevertheless, economic **degrowth is not only about consume less. It's also about consume « better »**. Consume better in order to reduce the environmental impact of our economic activities. Degrowth must mix both **quantity and quality improvement** in our ways of consumption.

Here, the basic income alone doesn't seem to be of great help. But, to be sure that unvirtuous people adopt a « virtuous » (in the sense of ecofriendly) way of consumption, **we can resort to « complementary currencies »**. Combined with a basic income, complementary currencies have **many advantages** indeed :

1. They can be local.

First, if there creators decide so, the complementary currencies can be « local currencies ». That is to say **they can only be used on a specific area** :

- A neighbourhood.
- A city.
- A region.
- A whole country.

This can be really helpfull, for example, to **prevent the flight of the basic income** (or its beneficiaries) **out of the country** (a flight that would put the national economy at risk).

For our present concern (the link between basic income and economic degrowth), this local use of complementary currencies can also be helpfull. It can indeed help us to **impulse a relocalisation of the economy**, relocalisation indispensable for the energetic transition we need in a degrowth society.

2. They can be allocated.

The complementary currencies can also be allocated. **You can't buy everything with a « social currency »**. That's why they also are political currencies : **they serve a certain social purpose**.

Paid in a complementary currency, **the basic income can therefore serve a certain social purpose**. Of course, in my opinion, a degrowth path can be a very good one.

=> For example, the basic income can be assigned to a certain use : to buy organic food, ecofriendly products or else.

Of course, here, it's not the basic income that impulse the economic relocalisation, the ecofriendly consumption and the energetic transition ; a complementary currency can do all that, all alone. But, obviously, **a basic income**, as it is paid to everybody, **can surely**

accentuate the process. If we decide so, it could reorient the consumption of an entire country !

4 Conclusion : Why would we need economic growth ?

To conclude :

1. We have seen that a basic income can help us to **make sure that an economic degrowth would be fair and socially sustainable.**
2. We have also seen that, if we combined this basic income with complementary currency, **it could reorient the society in a more ecofriendly way.**
3. We have finally seen that a basic income (and the debate that surround it) **could really help us to ask the good questions** such as « how much is eanough ? ».

Yet, there is still one last question that must be asked : in a society with a basic income, **why would we still need an economic growth ?** Today, the economic growth, as political goal, is justified by two social purposes (or supposedly so) :

- **To give every workers a job.**
- **To improve the situation of the poors** (because we surprisingly think that, if we want every body to have a good share of the pie, we need to make a bigger one...).

But :

1. If we introduce a basic income we could sudenly find that, instead of making a bigger pie (which, by the way, doesn't work so well in improving the situation of the poors...), **we could simply share the pie a bit more fairly**, giving everybody a decent share of it.
2. Likewise, in a society with a basic income, **the unemployment would no longer be an issue :**
 - **Neither an economic one**, because we would assure an income to everybody, regardless of they occupational situation ;
 - **Nor a social one**, because the basic income would instaure a right to lazyness. Given that, the problem would probably not be the access to jobs, but more likely the access to free time.

In the end, **once we introduce a basic income, we no longer need an economic growth.** We just need to produce eanough economic goods, *no more, no less*, and work harder a way to fairly share free time.