

## **Citizen's Basic Income and Happiness**

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Happiness is the unifying theme of this Meeting. We want to maximize the conditions that promote happiness and reduce the conditions that threaten it. Economic anxiety is a great enemy of happiness and is promoted by economic insecurity. Economic insecurity has become widespread in societies from the invention of agriculture and the rise of empires and later democracies. Before money, in tribal societies, solidarity was common; the resources belong to all and were shared. This condition vanished with the growth of large societies, allowing the concentration of money and power and the emergence of want and misery. In our days vulnerability, well characterized by Guy Standing as the precariat, is on the rise even in developed nations. This state of affairs is understandable when we consider the short life of many businesses due to rapid technological change, forcing many to work at multiple jobs in succession and even different careers while a multitude remain without work. Brynjolfsson and McFee have shown that notwithstanding a continuous rise in productivity, the last two decades exhibit a marked reduction in job opportunities. This modern decoupling is due to the new machine age, dominated by the computer and robotics. Allan Sheahan detects the same problem in his book. The solution offered by Brynjolfsson and McFee, to race with the machine and not against it, to us is incapable of solving the lack of job opportunities.

That said, we are convinced that tribal solidarity reflects a fundamental human right that has been defended by many thinkers throughout time.

Accordingly everyone is entitled to a portion of the available wealth, unconditionally and independent of work: everyone, from the newborn to the elderly. This benefit is called citizen's basic income, basic income, minimum income or citizen's income. To adopt this belief and practice, we have to overcome as citizens or politicians, one of the ultimate important preconceptions that so far we have ignored: the right to income without work. This income has to be minimal, not only due to budgetary limitations but by principle. The idea we support is designed to eliminate misery, not poverty and must avoid fostering parasitism. Consequently the citizen's basic income we struggle to implement in Brazil, according to law 10,835 of 2004, aims to

guarantee the right to survival with dignity. A right without ties, leaving the beneficiary free to live, if she so desires, in simplicity, possibly getting help from communal and arrangements. In such a situation she will get the basic help to "take time", develop artistic or literary abilities, study and became qualified for some new work. She will have more freedom to refuse work that does not appeal to or that she loathes until she finds a job opportunity that matches her talents and ambitions. She will be also more prone to risk entrepreneurship knowing that she will never lose her basic income. Her dignity and liberty will be more respected. This concept of a right to poverty, eliminating misery, seems important to us. There is a frequent discourse against consumerism, usually coming from consumers. Nevertheless the Franciscan right to a dignified frugality is seldom enforced and should be unconditionally guaranteed. The nation that adopts this right, if run by democratic institutions that uphold the law and the freedom to engage in business, will see an expressive economic flourishing and a better use of natural resources. We believe in the words of the great social economist Julian L. Simon: the one and only natural resource is human creativity in a democratic setting.

In 2008, inspired by Senator Eduardo Suplicy, we started work with the people of Santo Antonio do Pinhal (SAP), a small mountain resort city with the purpose of creating a basic income pilot project in this community. The Mayor also embraced the project. Senator Suplicy's idea was the creation of a fund, similar to the Alaska Permanent Fund, to be funded by contributions from the municipal revenues, state and federal government, besides private donations. The interest from this investment would pay a basic income to the 7,000 citizens' of SAP. A municipal law to that effect was created in 2009 along with the Municipal Council for the Citizen's Basic Income (CMRBC) devoted to debate and decide on practical measures. In a short while the difficulties to raise the fund's money became evident although the idea to create a pilot project remains. Faced with the local problems, the CMRBC began debating ways to regulate law 10,835 for the whole country. The proposal, according to the law, must define the steps to install the unconditional benefit. Our initial suggestion was presented first in SAP, September 2011 and during the closing ceremony of a project paid by Confederação Andina de Fomento, in Campinas, October 2011. The project analyzed the situation of all income transfer in SAP. The suggestion was formally approved by the CMRBC in June 2012. It consists of paying an unconditional basic income of R\$ 70.00 monthly to the caring

parent of every newborn baby in Brazil, starting in the near future. We also suggested that the same amount be deposited every month to a savings account in the name of the child, withdrawn possibly at the legal age for educational or other purposes. Later on, in May 2013 the CMRBC approved a new suggestion in three steps to introduce the basic income in Brazil. The first step is the previous proposal for newborns. The second step suggests the abolition of all conditionalities that rule the current beneficiaries of the Bolsa Família program, making the payments permanent. In parallel the amount paid, now averaging R\$ 35.00 a head, would be increased to R\$ 70.00 per person either immediately or by yearly increments of 10% or 20% until the allowed maximum. The present payments correspond to 0.5% of GDP and the full benefit will require 1% of GDP. The third step involves using the agency that runs the Bolsa Família program to enact educational and formative actions and to keep searching for families and people still outside the CADUNICO and in want, besides monitoring any persons who enter the economic vulnerable class. Those are to be identified and immediately should receive the permanent and unconditional benefit.

We believe that this proposal is viable and consistent with the original spirit of the Citizen's Basic Income law, installed stepwise. To start with newborns removes any discrimination between social classes, pointing to a better future for all. This move will have an important educational role, helping to reduce the feelings against the idea of an income without work. The second step suggested will improve the situation of about 1/4 of Brazilians already receiving, through the Bolsa Família program, in average, R\$ 35.00 per person. The abolition of conditionalities will liberate all to add to their income the earnings from a regular job or to start a small business. The "poverty trap" enforced by the conditions, that foster economic paralysis or outright fraud is deactivated. In a progressive way or immediately, the expenditures with this move will go from 0.5% GDP to 1% at the end of the transition. The investment in newborns will represent about 0.125% GDP at the end of the first year and will increase according to the equation:

$$n(\text{year}) = 0.125 + 0.125 \times n-1.$$

It is feasible to anticipate and plan the expenditures that will be also affected by the decrease in the rate of births. Basic income experiments are ongoing in localities such as Namibia, on a small scale in Quatinga Velho, near Mogi das Cruzes, Sao

Paulo and in India, with the oversight of Guy Standing. The results are positive in every way. We don't believe there is a need for more academic experiments to validate the idea of an unconditional basic income. Would a pilot project validating the end of slavery or torture be necessary? Should we precede to grant women, racial and sexual minorities their rights only after a controlled scientific study? Of course it will be very important to closely follow the introduction of a new social right to map the results and gather data for adjustments and future improvements.

The overcoming of crystallized visions about work and income is a challenge that seems almost impossible today, just like, in its time, to accept the end of slavery, racial discrimination and even universal vaccination. Many believe that a basic income will be the fundamental right of humanity to be introduced in this century. We believe, from the exposed above, that a citizen's basic income, unconditional and universal will be of great value to increase the odds toward individual happiness and its inevitable positive effect in our communities.

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