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Ecological Basic Income: An Entrance is Possible¹

Abstract

In this article firstly the principles of an Ecological Basic Income will be explained, in order to work out how to lead previous environmental policies out of different dead-ends. An EBI could combine ecological taxes with redistribution of income and it could combine sufficiency with different lifestyle norms (I). But it's not about a fancy method to avoid an inaccessibility of environmental policies any more. Rather, it has the tendency to oppose to a productivistic economy (II) as well as to a consumistic culture (III) and therefore opens the economy for a degrowth option. Finally it will be shown that the idea of an ecologically financed basic income has not only the potential to become a hegemonic idea in modern postmaterial societies but is especially well-suited for a step-by-step implementation of the general principle of an unconditional income (IV).

I Ecological Basic Income as Libertarian and Redistributive Environmental Policy

An Ecological Basic Income (EBI) is a guaranteed basic income financed by taxation of both undesired consumption of natural resources and environmental media. Only some central resources and sinks should be taxed, of which the problem is not the toxicity or danger of use but the quantity, e.g. the emission of CO₂ or the usage of limited raw materials. The central idea is that the revenue of these ecological fees will be shared back equally to everyone. In this way every citizen, from infant to the elderly, from rich to poor, will be paid an “eco-bonus”, respectively an “ecological basic income”.

The tax would not be levied on the end-product but at the beginning and end of the products' life-cycle, in other words when resources are extracted and replaced into the environment. This means a financing of basic income by taxation of a special type of consumption which burdens our environment, depending on our societal point of view, which runs counter to the goal of sustainable development and a globally just handling of natural resources.

¹ Updated version of the contribution to the BIEN Congress Munich 2012v

Eco Tax with Redistribution

Wait – isn't a financing through a cost increase unjust for the poor? Don't they suffer the most under an increase of costs in their daily lives, since the user fees for raw materials or emissions via the series of value-added processes finally flow into the shops? Exactly the opposite occurs: those with higher income consume more and therefore have usually a higher usage of environmental consumption. They pay on average more, while through a per-person distribution they only receive an average profit; they are "net-payers". Those of lower income and those with many children are the beneficiaries. A number of research results speak for this correlation. Only three examples:

- A survey from the German Economy Institut (DIW) shows that the cost increase induced by the ecological tax reform in Germany 1999-2003 is growing in constant relationship to the income: the higher the income, the more the consumption of electricity and fossil fuels (DIW 2009).
- A comparison of German cities shows a clear connection of the CO₂ emission and per-person income: Frankfurt, with a GDP of 66,800 € per person, emitted 11,8 tons per person and year, Berlin with a GDP of 21,400 € pp, emitted 5,6 tons per person and year (Economist Intelligence Unit 2011:13). The CO₂ emission is a relatively good indicator of the over-all resource usage, since higher material input is also energy-intensive as a rule.
- Data from the German Federal Office for Statistics about household consumption show, that the expenses for electricity and heating rise continuously with households income. (Statistisches Bundesamt 2010)

Naturally there is always a counter example. There are those of lower income who have a wasteful attitude toward consumption and therefore have to pay more. And there are those of higher income who value frugality in their consumption. But this is exactly part of the underlying principle of the eco basic income, the "Tax and Share". To consume products with less environmental impact is appealing for everyone. And for everyone there is an incentive to end certain harmful forms of consumption.

Thus the EBI leads out of the dilemma of economic instruments being used for environmental policies without social compensation: if it's too small, there will be no impact; if it's too big, it becomes unsocial. Here it's the opposite: the higher the eco tax rate, the bigger the redistribution effect, internationally as well as nationally. This procedure can be used at every regional level. Even though there is no globally binding agreement, a single nation can begin to confine its allowable environmental usage through taxes or through auctioning of allowances, and also to achieve the effect of redistribution by sharing the revenues.

One component of a resource-light lifestyle is consuming "different", i.e. the consumption of less environmentally-burdening alternative products. For this the ecological financing of a basic income is not only fitting, but a necessary requirement. One criticism against the general idea of a basic income from an ecological point of view is known to be that with the larger mass purchasing-power more environmentally damaging things will be bought. That is just what will be avoided through the change of relative costs because of the ecological tax: products with a greater ecological footprint will be more expensive than environmentally-friendly alternatives.

Sufficiency without Defining Lifestyle Norms

The other component of a resource-light lifestyle is consuming “less”. The EBI promotes an ecological sufficiency, but without imposing certain lifestyle norms. As a socially just alternative to economical instruments of environmental policy, generally from the left wing, stronger regulatory policies are called for that go beyond setting of boundary values for production. The government should, plain and simple, forbid environmentally destructive, unnecessary consumption.

First and foremost those products would be concentrated on that have a symbolically high luxury and damaging factor, such as SUV, tropical fruits, air travel, etc. But tendentiously all ecologically questionable consumption, from unnecessary car travel to coloured toilet paper, should be forbidden for all. This is social, since it affects everyone in the same way, and possibly also leads to positive ecological goals, but it improperly limits individual freedoms. We cannot dictate which vehicle can be used for different situations, which furniture in an apartment with so-and-so many children may be set up, which foods from which countries I may enjoy to whatever occasion, etc. All of this – and much more – needs to be determined.

But from which standpoint can certain lifestyles be prohibited or allowed? How shall this happen in an even halfway democratic procedure? Out of the acceptance of the diversity of lifestyle in modern society it follows in fact that rules must become more abstract. When we can't or won't regulate everything in detail, this can only happen through the costs of environmental usage.

Only this allows the individual one of the freedoms of activity appropriate to modern society while simultaneously establishing a limit for his overall environmental usage. Through an EBI the acceptance of different life-styles within the framework of ecological-monetary constraints will be conserved. Certain forms of consumption will become less attractive, but can continue to be performed singly or in moderation. The redistribution effect of the EBI will make sure that these individual freedoms will not be limited to the affluent, but rather be available to the whole population.

Thus the libertarian and redistributive effects of an EBI could lead out of the dilemma of environmental policies. The basic idea of the EBI, the tax and share, could also be legitimized by the philosophy of property rights, that the ownership of natural resources belongs to all inhabitants of the earth. A first idea can already be found in the writings of Thomas Spence in 1796. For agricultural use a ground rent should be paid, from which two thirds would be paid regularly to all residents, whether young or old. His reasoning was that not everyone would have the possibility, on the basis of property ownership, to live from farming. But the world belongs to everyone. Therefore everyone would have a right to a portion of these revenues, which would initially come into being through the use of nature.

An actualized form of this basic idea, expanded to all scarce resources, can be found with Peter Barnes and his idea of a „Sky Trust“ (Barnes 2006). His initial point is the assumption that the natural environment with its atmosphere, its resources, and its depressed areas, constitutes common property for all earth-dwellers. Whoever wants to use this common property have to ask the owner for permission. With ecologically problematic usage e.g. of CO₂, agricultural areas, metals etc. a fee would be imposed through the “Sky Trust” which all earth-dwellers would be entitled to.

II Enabling an Anti-Productivistic Economy

Green New Deal without Coercion to Growth

As an answer to both economical and ecological crisis the idea of a “Green New Deal“ in the last decade has become hegemonic. The basic thought consists of reaching a state-supported impulse in innovation and investment in green technologies in a green market. The raised economic growth thereby should concurrently bring ecological progress because of new technologies with less usage of resources and less deterioration of environment. This idea was first introduced into the debate by green parties, think tanks and NGOs. But it is becoming more and more hegemonic in the whole political class, even if there are other descriptions, e.g. “Green Economy”.

Even if this would lead to a certain green progress, this idea remains within the frame of productivism. That is, when the generation of new work is seen as an advantage by itself: when e.g. new technologies, like the “intelligent house” (which can adjust the consumption of electricity to changing offers of renewable sources) are being promoted with the argument, this would bring new handicraft jobs and open up “future markets”. Even if many of the promoters do not intend this, the production of goods and services as much as possible remains the outcome even of the green economy. The difference in relation to the current economy is that we should produce and consume technical and organizational alternatives.

But there are also ideas for a Green New Deal or a Green Economy beyond growth. A version is outlined in the study of the Wuppertal Institut “Zukunftsfähiges Deutschland in einer globalisierten Welt” (“Sustainable Germany in a Globalized World”). Within the framework of a “new social contract” the citizens in their role as businessmen, as well as consumers, should give off capital and comfort both to nature and to those less well off (BUND/EED 2008: 607). People in the north, respectively the global group of consumers, should change their life style towards frugality, instead of extending the previous welfare model with green technologies. In opposition to the versions with growth the question of redistribution is posed because the authors have a different thesis concerning the consistency of sustainability and economic growth. This could be described as a „Social Green Deal without growth“.

An EBI could be a central element of the new social contract proposed for this conception. Through taxation of environmental usage the citizens would give up a part of their “comfort power” to nature (by reducing certain types of consumption), and to the poorer (by sharing the revenues). But an EBI is more than a redistribution model. With an EBI the Green New Deal could gain a libertarian character, because the space for creating an individual lifestyle for all citizens, not only the well situated, will grow (see above).

Opposed to Productivism

But most important for an economy beyond growth is: With an EBI the Green New Deal will be opposed to productivism, because it is enabling the reduction of economic activity if wished – besides supporting those technological activities with less resource usage.

A basic income – and this is valid without looking at the way we finance it allows more financial security in the ecological transition of the economy. How many products long known to be ecologically damaging or socially disputable are accepted without question, if not actually stipulated, while the capitalistic economic regulation focused on employment is linked to our elementary economic existence? For an acceptance of the ecological transition of economy which is linked to a far-reaching change of workplace and careers, the social-psychological situation needed is “change without fear”. While in the main conceptions toward better adaptation of the ecological and economical crises like the Green New Deal the worries of those with expectations of new employment should be calmed, the concept of the basic income consists of the guarantee of social security – a social security independent of economic growth! It can take place, but it must not. The increased liberty of activity for the individual achieved by the basic income is not only an emancipatory progress, but an ecological advantage: the coercion to ecologically problematic economical activity will decrease.

Secondly with a basic income those parts of consumption only caused in order to compensate for hard and unwished working place reality will decline. The sufficiency with work will rise, because the people will only take part in productions and working relationships which make sense in their point of view.

Thirdly the ability to refuse work which is rather unwished will rise even on a societal level. A basic income makes the society more equal and equality as a social reality and as a feeling is important for the acceptance of environmental policies, which foster ecological transition of the economy. This transition is often connected with the abolishment of environmental unfriendly branches of production such as coal mining for example. That's not only theory. Wilkinson/Pickett could show us, that there is a relation between the inequalities of modern societies and the success of environmental policies.

Degrowth without Eliminating Financial Sources

Thus with an EBI, besides the technological strategies of efficiency and consistency, i.e. the compatibility of anthropogenic and naturalistic substance cycles, the non-technical way of sufficiency will be supported. However the relationship between a technical and non-technical path can not be estimated in advance. Anyway, the EBI has an anti-productivistic component and is therefore part of an economy beyond growth.

But this anti-productivistic effect does not undermine the financing function of the EBI. If less goods or services were produced the revenue could nevertheless remain stable or even grow, because the tax rates could be risen. To sustain a certain level of revenue it is not necessary to accept a certain level of undesirable environmentally unfriendly production, as some critics argue.

In summation we can say that an EBI as a core of a libertarian and anti-productivistic Green New Deal would not only constitute a higher level of welfare state but also a higher level of environmental state. It is a higher level, because the structural problems of work as well as the structural problems of environmental usage would be solved according to the “basic idea of equal liberties” – following the ideas of Claus Offe (Offe 2009). It is a higher level, because the domination of the anonymous systems market and state over the social integrated area of discourse called “lifeworld” from Jürgen Habermas will be diminished. These higher levels of both

welfare state and environmental state will function as a growth brake which we can use if we want.

III Enabling an Anti-Consumistic Culture

The consumistic cultural orientation to „always more“ and “always more various” is a ongoing tendency. Indeed the attempt to fill the limited human life with a maximum of consumistic events has come into criticism in the past few years. A culture of deceleration becomes more and more an issue of discourse, not only motivated by seeking a “good life”. Even in the ecological debate a long time a lifestyle of the “less” has been propagated. But obviously most appellations produced in the past 20 years – partially with much media work – failed, with the exception of small avantgardistic groups.

Basic Income Changes the Psychology of Deficiency

A basic income, with its basic economical security, can overcome this problem. It offers everyone the space to test alternative life styles. It would foster life with more – freely chosen – communities, with more individual space, but less consumption and acquisition pressure. The basic income makes it easier for all to leave the treadmill of “work - consume - work”, at least tentatively. New lifestyles of „less“, of “affluence of leisure time” (“Zeitwohlstand”), with a stronger orientation towards non-monetary work, singly or communally, instead of gainful employment, would have a chance to be tried out and appreciated, and not only by fringe groups.

A basic income generates the social-psychological conditions for an anti-consumistic consciousness, for a feeling of abundance instead of scarcity and striving after material gain. The psychoanalyst Erich Fromm wrote: „A psychology of scarcity produces anxiety, envy, egoism [...] A psychology of abundance produces initiative, faith in life and solidarity” (Fromm 1966). Not until this fear of failure is conquered will questions of life quality be answered without accelerated consumption of goods, holidays, contacts etc. : “Until now man has been too occupied with work (or has been too tired after work) to be too seriously concerned with such problems as ‘What is the meaning of life?’ ‘What do I believe in?’ ‘What are my values?’ ‘Who am I?’ etc. If he ceases to be mainly occupied by work, he will either be free to confront these problems seriously, or he will become half mad from direct or compensated boredom“ (ibid). A BI gives people an economical and psychological basic security. Even thus it can make an ecological-cultural change more attractive for broader levels of society.

The feeling of abundance needed for a less consumistic attitude is not only dependent on a material basic security. The feeling of contentment of each individual depends on his position in the societal hierarchy, respectively of the extension of hierarchy itself. The more unequal a society is the less a feeling of abundance is possible regardless of where the individual is placed in the hierarchy.

More economic inequality causes more status-oriented consumption. The economic history researcher Richard Wilkinson and the healthcare scientist Kate Pickett compared industrial societies with different wealth distribution patterns with regard to saving activities. The result: the more unequal the societies are, the lower the

savings rate (Wilkinson/Pickett 2009). The authors give us a lucid explanation. With consumer goods people are able to show their status. Those who were at the bottom can raise themselves with demonstrative consumption even if they can't afford it. Even middle class people try to show this by using goods and services which demonstrate this. To keep up with the majority or with the better situated they are willing to get into debt. The psychoanalyst Alfred Adler wrote: "Menschsein heißt, ein Minderwertigkeitsgefühl zu besitzen, das ständig nach seiner Überwindung drängt" ("Being a human means to have a feeling of inferiority which people constantly want to overcome.") (Adler 1973). This is not only theory. Wilkinson/Pickett for example argue with a survey made by Solnick/Hemenway: 50% of the respondents would forgo up to 50% of their income in order to reach a higher societal position. They also found relationships between economical inequality and the increase of anxieties, psychological diseases, depressions etc.

In this context inequality is not only to be understood in an economical way. Whoever feels himself suppressed in his family, his work, in politics, will try to compensate this through consumption ("now its time to treat myself"). People who feel well-accepted need this less. It is not only the modern promise of maximizing life, that makes people strive for a maximum consumption of goods and events, but even the inequality and the extension of hierarchy of a society.

Basic Income: More Equality and less Domination

The conclusion: If the „less“ should be attractive not only for marginal groups, then society on the whole must be less hierarchic. A lifestyle of sufficiency, an „Elegant Simplicity“, can only develop on the basis of a liberal daily routine. Those at the bottom or those who in some way feel repressed, or constantly sense a feeling of scarceness, who perceive alienation toward their job, will not be convinced of more modesty. To compensate for this they need more demonstrative consumption, events used as reimbursement, keeping up with the status quo, etc. Circumstances with less domination will reduce those shares of consumption which are caused only by compensatory motivations. It remains a more authentic consumption, which better equals the original needs.

Due to more security, more equality and less hierarchy a basic income leads even to less, but more authentic production as I showed above. Thus the economy becomes more authentic from both sides which determine it, from the consumption side and the production side. Hence we can name the basic income an "authenticity flat" ("Authentizitätspauschale"). Instead of non-authentic production and consumption values perceived as "the good life" will occur. For a good life beyond growth, politics have to provide a hospitable environment, as the growth critics Robert and Edward Skidelsky write. They criticise the dogmatism of political liberalism, which allows the state to avoid questions about "the good life" (Skidelsky/Skidelsky 2012). As basic goods for a „good life“ they recognize (among other things): harmony with nature, security (the possibility to calculate relatively the future), respect (reciprocal acceptance), leisure, personality (the ability to frame and execute a plan of life), and friendship (not instrumental or forced relationships). R. and E. Skidelsky advocate a social policy for these basic goods, and this includes a basic income.

All these arguments for the anti-productivistic and anti-consumistic impact are valid for a basic income in general. But with a basic income financed by eco-taxes we get more certainty about the direction of the enabled reduction of growth. Especially the

resource intensive activities would decrease. The ecological financing gives us another advantage: If a basic income will not lead to the assumed anti-productivistic direction, the eco-taxes will turn the production and consumption into a resource-light direction. In this case we would reach one of our central objectives, less impact on the environment, no matter the GDP will grow or decline.

IV A Hegemonic Coalition is Possible

However, beyond such academically questioning it is necessary to focus on the chances of achieving an EBI.

To begin with, the idea of the EBI can bring together the basic income movement with a large part of the environmental movement, which the previously mentioned aporias of environmental politics have a strong interest in overcoming. This alliance would mean a great step forward. Further, an EBI has a hegemonic potential. The simultaneous social, ecological, and emancipatory qualities of an EBI allows at least the possibility of a broader acceptance through a hegemonic societal coalition thinkable.

Only very few would not be included in this hegemonic coalition. For instance, those hoping for salaries or profit from work in ecologically and socially questionable and more and more unacceptable branches like coal, cars, certain parts of the financial sector, and denying a personal change to other working places, e.g. in the cultural sector. Not included would be also those who can not see any advantages in lifestyles with more community life and more free time, but less money,

But for the majority such a transition is an answer to personally experienced social and ecological deficiencies of liberalized market economies, under which many people from different social classes and milieus suffer in various ways. Not only the poor are feeling the increasing material separation in a negative way. Not only parents are not able to integrate their life values with the conditions for employment, caused by increased unequal distribution of work. Not only the new self-employed are suffering under the coercion to sell their creative skills for questionable purposes. Not only the ecologically engaged are more and more recognizing the logic of growth as a reason for the undermining of partial ecological progress.

The transition project of an EBI could even lead to hegemony because it does not abolish the liberties and potentials of market – truly recognized as positive ones. Production and life will not come under the problematical primacy of direct socialization through planning within the framework of small communities or whole societies. Rather the emancipatory contents of freedom of choice and the flexibility of non-hierarchic coordination could emerge in the context of social-ecological regulation.

V Using the EBI as an Entrance

A potential hegemony for an EBI doesn't mean that there is a concrete majority for introducing it now. We cannot hope for a transition from our hitherto welfare state to a

total change with a guaranteed basic income from one day to the next. The impact of such an abrupt socio-economic big experiment carried out on the living body of the society is not calculable. The whole economic structure, prices, labour market, demand, and production will suddenly have to reconstitute themselves under completely new conditions. The fear of politicians and people of a great crash would not be overcome. Even within an existential crisis or after a catastrophe like a war, such an abrupt new beginning is thinkable. We should not place our hopes on this.

Normally new paradigms can only be established with prototypes and small pilot schemes. An EBI is highly suited for such an incremental implementation. An EBI can be introduced slowly, parallel to the previous social security scheme in order to first introduce the principle in a smaller form. Thus security within the transition will come into existence, with enough time for adaptation. We can start the principle of "tax and share" on various scales and with different environmental media:

- Firstly: The principle is already practised in Switzerland. A „steering fee“ („Ungainsayable“) is levied on CO₂ consumption when buying fuels. Every Swiss citizen gets an eco-bonus of about 60-100 €/year.
- In the case of boosting the cottage in Germany, so that the consumer price rises for 10%, this family would receive an additional 1000 € a year. With a rise of 50% they would earn 4000 €.
- The additional revenues from the allowances auctioned within the European emission trade system are estimated to 100 bn. € per year, when expanding the ongoing scheme to all CO₂-emissions. If we share them equal, every European citizen would receive 200 € per year "Ecological Euro-Dividend". This revenue will rise through a possible reduction of the amount of allowances which is demanded by many environmental organisations.
- We could tax rare construction materials, metals etc. This would not only be a further source for the basic income but also a strong incentive to reach an economy based on closed material cycles. The best is to tax it at the end of the product lifecycle (when bringing the used products to the waste disposal system) instead of taxing at the beginning (when extracting it from the ground). Then the import of this materials is taxed in the same way.

This is not yet a basic income which would secure existence. But these are steps in the right direction. It's a start. The rest of the money needed for a basic income completely securing a basic existence can be gained in different ways. One possibility is to raise the ecological tax incremental and to extend it to further environmental media until an amount of e.g. 800 € per month securing a basic existence is reached. Another possibility is to add different financial methods. In any case the Ecological Basic Income is highly suitable to introduce the principle:

Every human receives unconditionally a share from the common inheritance of society, the richness of resources, knowledge, and production: the richness of the "first and second nature".

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