

Distribution policies to help a challenged European Union

Pascal Petit (CEPN Paris 13)

- Policies to meet the challenges of a deteriorating environment have had little impact if any on the income inequalities that have been increased by austerity policies, impelled by the European Commission. Income inequalities have increased differently among members of the European Union. It thus increased the divergences among member states. The wish at the beginning of Juncker 's mandate to help minimum wages to converge has petered out and failed to be the instrument of a relaunching of a convergence, much needed in a more open world for the EU to be able to act as a global player.

J C Juncker plan in 2014

- J C Juncker was nominated in June 17th 2014 by the European Council as president of the EU.
- Mr Juncker was a great familiar of the European Council where he represented Luxembourg from 1995 to 2013 as its prime minister (thus the longest serving head of any national government in the EU). This conservative politician was one of the best connoisseur of the European Institutions. It was thus quite a surprise to see that he was putting among ten priorities on his agenda a project to develop statutory minimum wages at the EU level of the 28 EU countries. When most conservative politicians had been calling for more and more flexibilisation of the labour markets of member states to maintain Europe competitiveness , especially within the euro zone ,
- All the more a surprise that the EU commission has no say on pay in member states. Thus the statement was only meant to set a direction to the European partners. Somehow like the MOC , Method of Open Coordination, the logic was to stress the good practice.
- Addressing the European Parliament before a vote to confirm his appointment on the 15th of July 2014, Juncker announced that "All countries in the European Union, will set in place a minimum social wage, a minimum income, a guaranteed minimum income."

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a priority which soon petered out

- There was a clear need to restore the social image/attractiveness of the EU
- But little was done
- First the average wages in the EU differed greatly
- ...either then a big shock has to be done to limit a price competition among EU member states depending on wages
- Or the push in favor of minimum wages ends up aiming more at reducing levels of poverty
- Moreover existing Minimum wages were not implemented across the board of all activities ...and no one denounced this poor achievement
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still the need of an attractive social Europe

- In this troubled world, priority has been given to measures of austerity to defend the euro, all of which has on the contrary fueled income inequalities. How can the EU get out of this trap? Willing on one side to have its say in global governance and on the other side weakening many member states for the sake of an unchanged euro system. Increases in social transfers, which could have reduced income inequalities, were thus from the start dismissed.
- Could the forthcoming EU elections put in the forefront a dynamic transfer programme?

. Could some formula of universal/basic income ...or of some public provision of goods and services help to overcome this barrier? Can we find in such formula something which would also help to meet the major challenge of a deteriorating environment and thus benefit from a legitimacy and rationality which could give room of manoeuvre vis à vis short sighted austerity policies. Current debates are making propositions in these directions. It is about time to develop a wide debate at the European level on these issues. The agendas of the climate policies which are emerging ,following the COP negotiations, are giving some hints on the means that could be privileged. The paper will attempt to review the pros and cons arguments for such formulas and will take a comprehensive view, including the expansion of non market activities and new commons.

Strong need of new social settlement

- As shown by:
- -steadily rising income inequalities with deep consequences on well being, health , social relations,..
- -lasting sizeable unemployment
- -hollowing the attractiveness of the EU as a social project
- -a decline fueling the emergence of sizeable « populist » parties
- - whereby exits of the EU become part of the possible outcome of political life of member states

Social systems are quite different among EU MS

- A diversity which can be seen as a drawbacks
- To have a one size fits all type of measure across the MS
- Universal income can be considered as a single type of measure
- Still with a wide potential of differentiation

the reconstruction of a social settlement is bound to be a major change

- Not to underestimate the old « worn out » social settlement
- The labour-capital compromise (not cooperation) of the post world war II had both some universality (see Philadelphia congress 1944) and clear (though diverse) conditionalities on what full employment conventions were made of and what sharing of productivity gains were implied.
- These settlements (« modern capitalisms ») were not evacuating all the labour/capital conflictuality but more setting the rules of an acceptable/legitimized confrontation.

A settlement that, seen in a western perspective, endured various changes of environment

- The late 60s and the rise of more consumerist/individualistic societies
- The mid 70s and the rise of a new competitive international relations
- The late 80s and the demise of the communist alternative
- The 90s and the rise of internationalisation ..channelled by the globalization of finance
- The 2000s where the GFC showed that globalized finance had become too big to fail

Beyond a wage earner society ?

- The exhaustion of the old compromise becomes especially clear when
- It shows that being a wage earner does not anymore ensure a full citizen status
- Bullshit jobs (à la Graeber), precarious works, are too numerous! Along with income inequality, they have hollowed out this wage earner society
- Adam Smith, in *The Theory of Moral Sentiments*
- said that we humans are motivated primarily by the regard of others.
- We want people to think well of us, and we want to think well of ourselves.
- Wage earner status does not guarantee a full citizenship (many second class citizens)

Can this « malaise » be overcome?

- Straightforward answers were policies to push up wages and increase social transfers
- When Juncker took office there was indeed a campaign to generalize and increase minimum wages A campaign that petered out rapidlyas it was kind of contradictory with the new competitive international relations which had developed
- Increase transfers was not retained, considering the high levels they had reached and the deconsideration that went with them (with some being unclaimed)
- Noticeably the populist movements are not pushing for more redistribution (see the ligua in Italy, proning a flat tax!)

To cope with rising income inequality:
mainly setting up of specific anti poverty transfers

- ..of which the RSA in France is a good example
- It follows that often these specific transfers to the poor is not claimed for
- See Smith
- 40% of the RSA are not claimed by those who could benefit from it

How could a basic income scheme overcome these drawbacks ?

- There seems to be a new interest for this « old » formula,
- At least in France (last presidential election...and Macron recent anti povrty plan)), in Finland, in Switzerland,
- How come?
- It can be claimed by the right (Friedman and before) and the left, can we sort out , with some simple criteria, which is which?
- Is this « duality » (or ambiguity) and advantage or a drawback ?
- If the criteria are sound, it helps to reconstruct a new compromise
- In that spirit , what can we learn from a review of the current debates
- On basic income schemes

On the interest of reviewing the critics

- Launching debates around crucial issues
- With pros and cons
- On changes in the deep organisations of our activities (personnal, domestic , social)
- Much needed debates when one considers the no future image presented to young generations
- Re-enchanting the world : how come?
- Questioning work /non work;

Five major critics of basic income schemes

- 1 it leads to an highly dualist society with wage earners on one side, and « assisted » people on the other.
- 2 it raises a gender issue as most likely basic income will lead a large number of women to stay out of the labour market and take care even more of domestic activities.
- 3 it would benefit in the first place to capital that could to its convenience a) lower the wages , b) reduce the levels of employment and c) rise the levels of working times
- 4 financing a (decent) basic income scheme would lead to drastic revisions (potentially harmful) of the multiple existing social transfers and/or would imply drastic increases in taxation
- 5 at the present stage of internationalisation, such scheme is difficult to implement solely in one country, it would imply complex tariff systems for trade and specific rules for migrations

From critics to challenges to design a pivotal basic income scheme

- The critics are real...but somehow they help to set up the conditions for such scheme to become a real pivot out of failing wage earner societies towards societies where a full citizenship can be accessed through a more comprehensive combination of activities.
- A1: the challenge is to give a social status to the persons receiving an allowance. The fact that they are universal income is clearly not enough.
- Some social validation of the activities of the receivers is needed. ...this has to be taken into account, not forgetting (as a benchmark) that so far the dualism existing between bad and good jobs is already killing.
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- A2 Bringing the gender issue on the agenda is one advantage of the challenge. The political economy of the articulation between domestic and salaried activities has to be revisited. It is a vast field of investigation where potentialities are great. It catches up with this issue raised by the uberisation (platform economy) where « employers » are governing would be wage earners. New regulations of this space is already on the agenda. Associations can here play a major role. We should not underestimate the magnitude of the task but at least it brings to the forefront issues which have been too neglected in the past process of degradation of the wage earner society.
- Importance of local levels in this transformation where universal income could favor diffusion of circular economy practices or of collaborative economy practices (inducing a socialization of domestic activities)
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- A3 Impacts on wages are complex, still they can be controlled by means of minimum wages. Reductions in working time though seem easier to implement and levels of employment likely to increase if the articulation between domestic and salaried activities is revisited. Thus representation of local stakeholders in the board of firms could be favored.
- A4 Financing the scheme has become a crucial issue, the cost of a decent basic income reaching high share of GDP (for instance some 40% of the GDP in France). A variable that could have many constructive side effects would be to vary the structure of the « budget » involved between a monetary budget, an amount of free services (be it in education, health, transport, leisures, ..) and some amount of complementary monnies. The advantages of such multifold support are to offer opportunities to validate service activities and to involve beneficiaries into the monitoring of these activities

a complex transition and international negotiation

- A5 the transformation of the trade relations is important and very likely such change requires international actions...a reason why we took a european perspective.

- A1 could be strengthened using complementary monnies as srewarding schemes of citizens involvment in social activities

- Accesses to free services could also ground rewarding schemes

Actively involving citizens in many activities (market and non market)

Appear as vital in this transformation

- To conclude : a need for many interrelated social innovations
- With beneficial complementarities.....a cascade of changes led by crossed learning processes which invalidate experiences of basic income which are experimental and local .
- Importance of the local social dynamics : a transformation much more bottom up than the previous installment of a labour capital compromise , experimentations can be done only if these cascade effects can occur (saturation effects).
- Implementation schemes are thus complex
- A long way to gobut worth engaging in this direction if only to control or cope with the incompleteness of the wage earner society