

Nordic Conference on basic income plots 22. – 23. Sept. 2016

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Thank you very much for the opportunity to speak about this interesting topic.

I am a member of parliament for the Red Green Alliance since 2011, and before that, a background as industrial worker and trade unionist

Politically:

My point is: Basic income is the wrong answer to real challenges, first of all because implementation of the principles in basic income will contribute to a weakening of the working class. From a socialist point of view this is unacceptable, because the working class has the potential to expel the root of our problems: capitalism.

Let us look at some of the most important challenges:

1: The labour market is brutalized, producing sick and disabled workers, excluding people, who are not able to work 100 % or more, and blocking the way in for young people. The same effect has the implementation of robots and other investments in new technology, which diminish the need for living labour.

2: The growth in part time work and precarious work in almost all sectors of the labour market, from construction and cleaning sector to IT- and academic jobs. Corresponding to this a decrease in collective bargaining and union membership in many branches.

3: The Destruction of the welfare state with so called reforms, that leave unemployed, sick and disabled people with very little or no income, and at the same time putting at tremendous pressure on them, by forcing them into the labour market, functioning as cheap labour force. The real intention of these reforms is to put a pressure on wages by destroying social security and distributing wealth from the poor to the rich.

listening to the other speakers I think, that we very much agree about this.

I also find it quite understandable, if the support for a basic income is growing among people, who are hit by the so called reforms, experiencing the daily humiliations and mistrust from the authorities.

There is a growing demand for more social security, and especially for the sick and disabled people, a demand for peace to recover, peace to get a good life.

Although we do not support the idea of a basic income, for reasons that follow, we agree to some of the arguments, and we are open to discuss experiments or pilots.

We agree, that we have to fight against the unjust control and sanction regime over the people on the edge or outside labour market, and the fight against bureaucracy in the municipalities administration of the labour market policy, which do not help, but harm the unemployed and sick people, and often take them even further away from the labour market.

As a socialist and at trade unionist I have fought this bureaucratic and inhuman system all my life, because it is a threat to human dignity, and at threat to solidarity among workers.

Then, what is wrong about the basic income model?

The problem is not, that it cost a lot of money. The problem is not, that people would get lazy and stop working, we don't beleave in that argument.

The problem is, that implementing a basic income in a capitalist economy will weaken the worken class towards the capitalist, and it will in practice support the neoliberal forces, who try to break down the welfare state.

To make my point clear, I will discuss it concretely by commenting on to models, the one by Samfundstanken, called UBI-Now, and the one from our colleagues in parliament, the Alternative.

The proposal of Ubi-now is, that every adult person – with or without a job, rich or poor – will get an amount every month from the state at 18.000 – 25.000 DKR a month. The 18.000 DKR is quite close to the highest unemployment benefit – dagpenge – and to the førtidspension which is reserved for people who can not work due to sickness or disability.

Samfundstanken openly declare, that the purpose of their proposal is to pave the way for a drastic lowering of the wages and secure an explosive increase in profits and wealth of the company owners. They expect the wages to be reduced by 40-80 %.

The philosophy behind is, that the drastic lowering of wages will promote export, and thereby getting more wealth in total to Denmark.

The concept is totally unacceptable.

I agree, that the effect will be a drastic reduction I wages on the whole labour market. It will set collective bargaining and collective agreements out of function. It will lead to an explosive growth in the employers share of the surplus value, that is profit, and consequently strengthen the power position of the capitalist against workers. In general it will lead to an immense growth in inequality.

Samfundstanken compares their proposal with the Hartz reforms in Germany, and that is a fair comparison, because, although the UbiNow means a much better level for the income, than the Grundsicherung in the Hartz reform, it is the same principle: The state – that is the taxpayers – support the wage for each worker, with the inevitable consequence, that the wages will sink.

That was the effect of the Hartz Reforms. Through these reforms Germany became European champion in wage dumping, exporting the crisis of the german industry to other European countries and their workers, especially Greece and other southern europeean countries.

An Ubi-Now in Denmark would have the same effect, until the moment where the other countries take up the competition – with the result, that once again, the workers have to pay the price. We need solidarity among workers, and mutual struggle to better wages and working conditions, not more competition, not even if the competition is supported by the state by paying half of the wage.

In specific cases we agree in state support of wages, for instance we have a model for "løntilskud" to get unemployed into work, but in these cases it is not unconditional for the employer: He must always pay the ordinary wage, and it must be secured, that state supported jobs do not supersede ordinary jobs.

To make my point clear: A massiv state support of the wages, where you pay each worker a sum from the state, will have the effect of lowering the wages. The higher the support from the state, the lower will the wages be. This system will undermine collective bargaining and trade unions as such.

I could also make it very simple: The idea of basic income is that the workers – through their taxes – pay half of their wages themselves. I think it is an awkward idea, and I am quite sure, that you will never get any support in the working class for that idea.

Then, what about the other model on the table, The Alternatives model.

As Torsten said, the Alternatives proposal is not a basic income. It is a proposal to rationalize the various social benefit and unemployment benefit into one benefit, unconditional kontanthjælp, kontanthjælp uden modkrav.

Another part of the proposal is to remove the economic interdependence for people living in a so called “marriage-a-like” relationship, which means, that you get no cash benefit, if your partner has a wage income.

Taking this part first, our Party always have been against this principle, and we want to remove it even for marriage couples. Economic interdependence of that kind has no place in a modern society, fighting for equal rights for men and women.

Regarding the other part of the proposal – changing the kontanthjælp (cash benefit) to “kontanthjælp uden modkrav” we do not have severe problems of the principle itself, we agree to the aim of getting rid of control and sanctions, and the possibility to volunteer in social work of all kinds.

But we think it is a wrong strategy to replace unemployment and sick benefit, and pension by this, the lowest of all social benefits in Denmark, and thereby forcing people with very few money to buy insurances for unemployment, sickness and disability. This will contribute to more inequality, and to further weakening of the welfare state.

The main problem is not, that we have different kinds of social benefit. There is a good reason for most of them, and they have different purposes related to the situation for the individual.

In principle we have a strong system of unemployment benefit, our A-kassesystem, which gives trade unions some influence on how the unemployed are treated, but the consequence of introducing a basic income will be, that this system will be abolished, and the state will take over.

In Denmark we actually have one example of social benefit, which in fact is an unconditional basic income, and that is the førtidspension (early retirement pension). It is for people who are too sick or disabled to work. If you get this benefit, there will be no conditions, and you can even earn a little money on top. At the moment around 230.000 people has got this benefit. It would be a backlash to replace this benefit by an unconditional kontanthjælp and asking sick people to insure themselves to keep a decent living standard.

So, the problem is not the different social benefits.

The problem is, that they are all under attack from all kinds of governments for the last twenty years or more, no matter the political colour. Especially through the last 10 years each social benefit has been reformed in a way, that has made it much more difficult to be entitled to it. At the same time the economic value of each benefit has been decreased, and consequently we will see a dramatic growth in the number of really poor people.

In this situation, we think that the right strategy will be to defend the different social benefits against these attacks, and try to mobilise people and trade unions around that. This is a far more realistic

strategy, than trying to get support to an unconditional basic income, which in real political life will be a support for the forces who wants to cut down on welfare and workers rights.

But of course, we also must develop an offensive strategy.

The central elements in an offensive strategy must be a broad fight for sharing the work through 30 hour week with no reduction in wages , the right to early retirement after a number of years on labour market, jobrotation connected with education, and leave schemes for parents and other kinds of sharing the work

Another important objective is to make space on the labour market for people, who cannot work 100 %. These objectives can lead to the necessary mobilization and revitalization of the most important mass movement, namely the trade union movement, and this is at precondition for real changes in society

Another offensive move is a consequent fight for a real social welfare state, building on universal rights to education, health and social welfare. But this fight can only be offensive, if we claim a change in the tax collection. The 10 % richest and the big companies simply has to contribute much more to society, and why should we not be able to unite the 90 % around that goal?

As I said earlier, we are open to experiments around the principles of unconditional basic income. We don't think it will be an important part of our strategy. But only a fool rejects experiments to investigate new ways to do things. We are also quite sure, that experiments with the unconditionality will reject all the false assumptions, that people only react on economic incitaments, and that they will not contribute if they get money unconditional. At the same time such experiments could open an important discussion to broaden the concept of labour. You can contribute to society in many ways, and you must, because without contribution from each individual, there will be no society. But we must raise the discussion, that you can contribute in many other ways than through wage labour, and if the supports of basic income will go to the discussion from that angle, I think it will be productive.½

So I am looking forward to the discussion.