



BASIC INCOME

CORNERSTONE OF THE NORDIC WELFARE STATE

Basic Income – Cornerstone of the Nordic Welfare State
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From a Reader

Mikko Lagerspetz, Professor of Sociology, Åbo Akademi University, Finland

Social policies in the Nordic countries have been characterised by long continuity. Neither neoliberal global tendencies nor reoccurring economic crises have seriously challenged the Nordic Model's cornerstone, universal access to a certain level of welfare services and benefits. Even if the model's details and levels of funding are sometimes disputed, there is a basic political consensus. Challenges for the social security system are coming from outside politics: from structural changes in the labour market. A growing number of people do not have permanent, full-time employment, but earn their living in less regular and uncertain conditions. They fit poorly into the system as it has been designed during previous decades.

The same factors that bring about stability make policies difficult to change. There are few political utopias – that is, future oriented ideas in apparent opposition to the order of things prevailing at the time. One is reminded of what the sociologist Karl Mannheim wrote in 1936:

“The disappearance of utopia brings about a static state of affairs in which man himself becomes no more than a thing. We would be faced then with the greatest paradox imaginable, namely, that man, who has achieved the highest degree of rational mastery of existence, left without any ideals, becomes a mere creature of impulses. [...] [W]ith the relinquishment of utopias, man would lose his will to shape history and there with his ability to understand it.”¹

These concerns sound even more topical today. Many writers of the present collection of short essays point at a dominating mind-set that embraces economic growth, consumerism and wage labour as the norm of full social citizenship. Much of that paradigm is becoming rapidly outdated and is called into question by researchers and citizens alike. However, day-to-day policy making still continues on its own path and its own pace.

Unconditional Basic Income (UBI) is one of the few “Real Utopias” of today, i.e., transformative ideas that nevertheless are translatable into roadmaps with accessible waystations.² The texts presented here are a part of that “translation work”, explaining the idea's basic traits, the economic and social developments that have made it topical, and

various areas of life where its implementation might have a positive – maybe a decisive – effect.

Those areas are indeed many: the labour market and working life; shortcomings of present social security systems; civil society and human creativity; peace, poverty, the environment; and more. One of the authors compares UBI to a sword cutting the Gordian knot, and other authors are equally convinced of its potential of bringing relief to complicated problems.

As an external observer, I am fascinated by the width of issues addressed. As a sociologist, I am, however, also thinking about the possible consequences not necessarily intended. In the present political situation, is there not a danger that a fundamental reorganization of the social security system will lead to cuts also in well functioning and necessary elements of it? While UBI can make some social and community services more easily available, can it also strengthen tendencies of their commodification and monetarization? While it alleviates the position of people now outside regular employment, might it not also discourage governments from continuous efforts to fight unemployment among “difficult” population segments?

The devil, which is in the details, is rooted in the overall political climate. The possible level and implementation of UBI, as well as its side effects on other fields of social policy, needs to become a subject of a wide, thorough and inclusive political debate. This should be the next phase of the “translation work” to which this collection contributes.

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1. Introduction

Eetu Lehto, editor, Finland

The acronym UBI that will be featured a lot in this pamphlet is short for Universal Basic Income. As thoughts about how basic income should be implemented, this pamphlet features a multitude of views and perspectives fresh out the minds of a diverse band of individuals. However, it should always be stressed that basic income advocates, while having widely different visions of UBI, agree that it should indeed be universal and unconditional. That is to say, paid to every individual in any community it is implemented in, no strings attached. An adequate UBI is yet to happen in any experiment nor society.

There is a lot to discuss concerning a Nordic perspective on UBI and much of what is presented will undoubtedly be applicable to other communities as well. The reason we chose the Nordic community as a focal point is, as the booklet's name suggests, the strong tradition of a welfare state that has brought us prosperity. We believe that UBI is a logical step forward on upholding the tradition, and a relatively simple and effective one at that. Furthermore, there is also a strong tradition of Nordic cooperation that we wish to uphold, and given the opportunity, strengthen it, with our input.

The next chapter by Martin Bruun Michaelsen will elaborate on the definition of basic income and demonstrate how it will regenerate the roots of the welfare state. Ingunn Grande & Kristine EndsjøI will clarify why we think it is a simple tool for solving many complex issues that are, at least in rhetoric, widely being worked on. Vivan Storlund will openly challenge the paradigms concerning work and merit that are steering our world today. Gerður Pálmadóttir and Jouko Hemmi will explore UBI's possibilities for human emancipation and civil society with Kaisu Kinnunen bringing insight concerning peace work. Jan Otto Andersson will present how after adopting neoliberal policies, the once acclaimed Nordic welfare state has ultimately failed to live up to its own standards. Finally Harald Enoksson and Erik Christensen will explore a question that is one of the most prevalent ones concerning UBI: How do we finance free money for everyone? One practical question, if UBI should be undertaken as an endeavour by the Nordic community or by the EU, will be ultimately left for the reader to decide. Feel free to read the chapters in any order you wish, or pick the cherries if you so desire.

This booklet is a labor of passion by people who sacrificed their free time in order to make it a reality without making a single euro out of it. Balancing work and keeping contact with people across the Nordic for a project is no easy task; anyone who has undertaken such an endeavour knows it. Still, we took the challenge head on, because we want to build and make such undertakings easier for everyone. And we sincerely believe most of humanity shares our commitments that we will work for free for the benefit of our fellow human beings. This type of work is essential and more valuable than most jobs, but rarely rewarded. UBI would change this and make common ventures easier and help to build fellowship and trust between us. The value of this should not have to be separately argued. But for those still sceptical, thinking austerity will bring us fortune, remember that money is worthless without trust. So let's start creating value, shall we?

2. Social Change – Basic Income as a Stabilising Driver

Martin Bruun Michaelsen, Denmark

The Nordic welfare project has proven to be a successful model for securing growth, social mobility and national cohesion. The Nordic countries have one of the highest tax levels, and likewise highest public spendings, but the countries all score highly on different parameters, such as GDP pr. Capita¹ and the Human Development Index². All countries are represented in the top 13 in both accounts as of 2020.

However, there is now a trend enforced in the Nordic countries that is called the *workfare paradigm*. In it, welfare recipients are closely monitored and required to apply for jobs and accept job training. The workfare paradigm is at risk of jeopardizing this historical prosperity due to misconceptions and misunderstandings which will be explained in detail in the fourth chapter of this pamphlet by Vivan Storlund, but at its core it is a misconception regarding social justice.

The current system implemented in the Nordic countries works on the basis of a safety net. This safety net administers which citizens, companies and other institutions get subsidies, deductions or other forms of benefits. These functioned tremendously at a time, where paid labour was secure, full employment was the norm and the work itself was connected to the plot of land at which the company was seated. These three factors have eroded over time with the rise of the precariat, an increase in more part time jobs together with outsourcing, digitalisation and globalisation which has made it more difficult for the working people to have secure and stable paid work³. This also undermines the power of the unions, since the ease of outsourcing production or finance has increased, while the laboring population at large is bound to the land on which they live.

In these times, we see a rising flexibility to the employer, with the cost of a reduced security to the employed. The social justice which the welfare state is build upon, that the heaviest burdens should be carried by the widest shoulders, has been slowly crumbling due to the ease of tax havens for the rich, the rise of more obligations to those who get subsidies, while little or no obligations to those who get deductions, and a general arising problem where the need of proving that you are poor is as much a requirement as looking for a job. This

goes against the original universal project which is the welfare state, which was built on a foundation that everyone has a right to survive with dignity as a free citizen, while upholding the duty to make a living for yourself. This foundation is under threat, and to reclaim social justice we need to radically rethink our safety net, which has turned into an administrative chore at best.

The vision which will be presented is to rebuild the foundation of social justice on a new *safety floor*, called an unconditional, universal, individual basic income.

2.1. What is Basic Income?

Basic Income is an income which is:

- **Universal:** That is, given to all members of society.
- **Unconditional:** The Basic Income is given without any formal obligations to the workforce, society or anyone else.
- **Individual:** It is given to individual members, not households or groups.
- **Basic:** The Basic Income needs to secure basic needs.

A Basic Income would, in the context of the Nordic Welfare States, mean a change in the basic subsidies and deductions which are given in the current system, as well as some changes to the taxation system.

This chapter is primarily oriented towards giving a broad understanding of basic income and how it is related to the nordic welfare state model. Some more detailed plans on financing will be touched upon in more detail in Harald Enoksson's chapter.

2.1.1. How basic income differs: Improving flexicurity

The Nordic welfare state is built upon a social contract of responsibility and reciprocity. It is mandatory that anyone ought to seek work and be a productive member of society, for the benefit of all. If everyone contributes to the general workforce, it not only is to the benefit of society, but to the individual as well – through a fulfilling working life.

This social contract has been the foundation of some of the core principles in the modern version of the welfare state. A strong focus on employment, subsidies given to the workforce and employers and an increasing amount of obligations towards those on welfare, are some of the ways this social contract has been handled by the Nordic states in the modern era.

Universal basic income is intended as a modern envisioning and a reworking of this social contract, but it will also rework important parts of this contract.

Universal basic income is a policy which grants every member of society a liveable income, no matter the status of the individual. Whether working, studying, parenting or administering, UBI asserts that everyone has an individual need and right to an income which can secure basic necessities, such as food, water and housing.

This means that the workers will have an increased security, compared to the present system, due to the workers having a security floor which is far more stable and less politically unstable than targeted benefits, which can be changed drastically between election periods, since they don't target a very broad population. On the other end of the scale, employers would have increased flexibility, due to basic income reducing administrative paperwork. It would also make it possible for employers to employ part timers or project based employees more easily. The salary given wouldn't reduce the payout of one's benefits, as it is with the current state of affairs, but be taxed as any other income while receiving the basic income as well.

This income might be paid out in cash or implemented through various other measures. One of these measures could be a negative income tax, which is a form of tax deduction. In it, any unused deduction will be paid out in cash, as proposed by liberal Milton Friedman³. Another measure would be a social dividend, as championed by market socialists⁴, which is based on the return of the capital assets and natural resources owned by society. A carbon tax based social dividend will be discussed in more detail in *chapter 10* by Harald Enoksson. While both these measures, being liberal and socialist, see each other as in opposition, the important part is that all the described measures are universal and unconditional, without any strings attached towards the market or family affiliations.

Basic income is therefore a simple idea with far reaching consequences. Next, I will present some experiments done with basic income, as well as present the ideological diversity in supporting basic income. After a thorough basic understanding of the subject has been reached, they will be expanded in the following chapters in detail in matters of sustainability, working life, social security, human rights, civil society, peace work, democracy, self-employment and finance in the context of the nordic welfare states.

2.2. Basic Income Pilots

In the last 50 years, there have been different pilots with basic income in vastly different countries world wide. All of these pilots have been established due to a need for a new way to increase social stability, since unrest has become an increasing concern. The pilots have all primarily focused on basic incomes' influence on the labour market and the effects on those who receive subsidies, but have also had some relevant side effects which should be taken into consideration.

Generally, all of the pilots have shown neutral to positive results on a wide list of different parameters, and it is undeniable that basic income is a valid and tested policy, if compared to other contemporary policies.

2.2.1. The Finnish Pilot

The pilot followed 2000, randomly chosen, persons on benefits between the age of 25 and 58, where they were to receive a monthly 560€, unconditionally without means testing, for the two year period of the pilot. These 2000 people were then compared to a control group with equal criteria. The Finnish basic income pilot ran for a period of two years in 2017-2018, and had these overall results:

“Results of the basic income experiment: small employment effects, better perceived economic security and mental wellbeing.”⁵

Finland's results show how a basic income increases all the relevant factors which are related to most social policy, mainly being employment, security and wellbeing.

2.2.2. Other Pilots

Since this pamphlet is designated at targeting how basic income is relevant to the Nordic welfare states, the other major pilots and their discoveries will only be presented shortly.

The largest basic income pilot is still going on in Kenya, where 20.000 people in 197 villages receive a basic income in the region of 0.75\$ pr. day, with 100 villages as control groups. So far, the preliminary results are positive on all aspects of life. In the overview of the project, they found that

“The study documented large, positive impacts of cash transfers averaging ~\$500 across a wide range of outcomes including assets, earnings, food security, psychological well-being, and domestic violence, an average four months after transfers ended.”⁶

Pilots which have been finished in Namibia (2008-09)⁷ and India (2012-13)⁸ show similar results, with a decreased rate of crime, women have been given more control of their bodies, reduction in debt, increase in earnings, increased use of health clinics, increase in school attendance, etc.

There have also been other pilots and the results are similar in many regards, with the only difference being *how* positive the changes for the individuals were in the different countries and contexts.

What is important to clarify, is that the different experiments all share the same foundation, in that it is typically poor communities or, as in the case of the Finnish pilot, poor individuals that are directly targeted by the experiments. These considerations are important, but it is equally important to stress that an implementation of basic income, although also given to those who are having a paid job, will be taxed more than today, so as to cover the cost of the basic income. However, those who get taxed more in a society with basic income also get the basic income, so that their total net income isn't necessarily that much different from present society.

A basic income, properly implemented in the Nordic welfare states, would have a large increase in the gross expenditure of the state, but would have little to no effect on the net expenditure. This can be accomplished if the level of the basic income is chosen to be roughly the same amount given today to those on government benefits. We have already built a system in which the costs of living are paid for through benefits and subsidies which go to basic survival needs.

Basic income is a sound policy, backed with empirical experiments and facts. But just because basic income works, doesn't mean it is justified through the political lens of the Nordic welfare states. It is therefore important to justify, not only that basic income works, but also that it is grounded in a conception of social justice, which is compatible with the general aim of the Nordic welfare state. These justifications will be explored in depth in the very final chapter of this pamphlet by Erik Christensen.

2.3. A Politically Broad Idea

Basic income is not a liberal or socialist idea. It is rather an idea, which can be said to be represented in circles, be them conservative, liberal or socialist. The question is, therefore, how can these different political landscapes be united in a cooperative vision?

This chapter's main aim is to describe how all the different political ideologies present in the current Nordic welfare state can come together to focus on what the welfare states project is all about: to make it possible for as many people to contribute to what is possible within their capabilities, so as to support the community both familiarly, locally and nationally.

2.3.1. A Solidary Policy

Basic income is a solidary policy, because it makes sure that everyone can enjoy their basic needs, so that they can provide according to their ability. By securing a basic, universal income, everyone is bound together through solidarity with each other, where the need to monitor or force people to work is not necessary. The backbone of the Nordic countries is found in civil society, where a basic income can make voluntary work more appealing, and if

the pilots have shown us anything, it is that if we give people the chance, they will prove to be better than what is generally thought of them.

Solidarity is based on a conception of social justice, in which it is important to remember that we are all in this together. Basic income is a policy which wants to free civil society from the burden of administration, because people in general *want* to contribute, and themselves know best what is important to contribute to. Basic income will reduce inequality, not mainly through redistribution of money, but by reducing the importance and power of social classes, by uniting everyone to live a free life together with those in their communities. The duty to improve oneself and one's community is built on top of the right to live, not the other way around.

2.3.2. An Independent Policy

Basic income is an independent policy, in the sense that it gives people the necessary freedom and independence to shape their own future. By exchanging the classical safety net of the Nordic welfare states with a basic income safety floor, the independence of the common citizen is strengthened, and their ability to improve their living is secured. By having a secured basic income, entrepreneurs and artists will have an easier time starting their operations without first having to borrow money from foreign investors – before even starting.

Independence is based on a conception of social justice, in which we have to respect that we are all equal citizens. We are all born different, some with more abilities than others. But we all share the same basic needs of food, water and shelter. If we don't have these basic necessities, we live our lives through fear, thirst and hunger. To accept the possibility that some people will end up in this situation because of errors made in administration or public systems, is to put the state before its citizens. By securing a basic income to all citizens is to acknowledge that all citizens are a part of society on an equal footing. Everyone should have a right to a life in which they can seek their own fortune through their own hard work.

2.3.3. A Conservational Policy

Basic income is a conservation policy, in the sense that it seeks to keep the core of the Nordic welfare states intact. Basic income improves on the Nordic welfare state, but will not supersede it. By bringing the welfare state back to its roots, the welfare state can stand its ground against the ongoing globalisation, in which its core values are under threat. Basic income seeks to invigorate these values, so that we as Nordic countries can be united to better handle forthcoming challenges regarding artificial intelligence, automation, the climate crisis and the volatile labour market.

Basic income is based on an idea that the value of the land and our technology which we inherit, have been improved through many generations. By distributing this value through a basic income, is to conserve the nation through the land it inhabits and the culture which calls it its home.

Basic income is a natural continuation of the welfare state, in which it can be improved to tackle problems the modern age has brought along with it. One of these problems, which has become more immediate, is the question regarding sustainability, which will be presented in the forthcoming chapter by Ingunn Grande & Kristine Endsjø.

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3. Universal Basic Income – The Best Way to Accomplish the United Nations Sustainable Development Goals

Ingunn Grande & Kristine Endsjø, Norway



The United Nations Sustainable Development Goals (UN SDGs) serve as an international obligation to address global challenges such as poverty, inequality, conflicts, injustice, and climate change by 2030.¹ The 17 goals build upon the earlier Millennium development Goals and have the slogan “*Leave No One Behind*”. While there are many ways to target these goals nationally and internationally, a Universal Basic Income (UBI) can tackle several of these goals directly and indirectly.²

3.1. Human Prosperity

The first goal is **SDG 1 No poverty**; an ambitious goal towards more fair resource distribution, where every human being is given the right to live above the poverty line in

their country. Poverty is a harsh condition of human suffering, associated with worse health outcomes, lesser quality of life, and less social cohesion.^{3,4} Given the total global wealth, there are no valid reasons to accept continued poverty, and thus, no excuses not to achieve this goal. No other tool can accomplish this goal as efficiently as UBI. We need a welfare floor to stand on more than we need a targeted social security net, which continuously fails to accommodate everyone.⁵

The second goal, ***SDG 2 No Hunger***, can be achieved as a direct consequence of eradicating poverty through UBI, as is ***SDG 3 Good Health and Well-Being***. Experiments on basic income have shown less mental strain, more wellbeing, and improvements of abilities such as learning, memory, and concentration.⁶ By improving living conditions in poor countries, UBI can strengthen domestic markets. Eradicating poverty will help people have better living conditions, housing, and ***SDG 6 Clean water and sanitation***.

The Nordic countries are consuming far more than our share of the world's resources, and we need to reconsider the growth paradigm. We need to seek balanced economic solutions within the framework of what this planet can offer to humanity without compromising the ability of people elsewhere and future generations to meet their needs.⁷

With a UBI, people from all backgrounds have more fair access to ***SDG 4 Good Education*** and decent work, ***SDG 8 Decent Work and Economic Growth***. Economic growth is still an important goal for many poor countries, while rich countries need to continue improving our quality of life without economic growth, using less of our limited natural resources. A UBI ensures that individuals have the opportunity to say no to unacceptable working conditions or too low wages. More acceptable wages in food- and textile production will increase prices, reduce overproduction and lessen environmental damage by reducing waste.

A safe income and better working conditions contribute to ***SDG 10 Reduced Inequalities***, because it creates more equal opportunities. Sadly, the Nordic countries are no longer pioneers in socio-economic equality, as we traditionally have been. The Nordic welfare states have developed systems to reduce inequality and build trust among people. This way we have experienced a willingness to pay taxes for the common good.⁸ In the last three decades redistribution has been failing to keep up with the annual pay increases and market profits. The result is more inequality and more people living under the poverty line. Introducing a UBI at the level of each country's poverty line can reverse this development.⁹

Universal Basic Income also contributes to ***SDG 5 Gender Equality*** by ensuring that everyone, including the individual who has the most caring responsibilities in a family, also has a personal income and is financially independent. Nordic countries have been pioneers in gender equality, both in the political and the business field. Introducing UBI will be a

natural continuation to strengthen this progressive tradition on a long term basis. In other words, UBI levels the playing field.

3.2. A Healthy Environment

Our lifestyles in the Nordic countries are currently based on all-encompassing consumerism. The current carbon emissions are far beyond the limits of what the earth can absorb without leading to dramatic climate change and loss of nature. Even though large parts of the population in many countries still live in poverty, humankind has spent the yearly sustainable allowance of resources by the end of August.¹⁰ As regards the Nordic countries, we had spent our share of these resources by the end of April.

To achieve ***SDG 8 Decent Work and Economic Growth, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action***, we need to consume less. Overproduction of goods and food must end, and industrial emissions must be reduced. Instead of extreme amounts of garbage production, we should move towards a circular economy, where we acknowledge the fact that most of our garbage constitutes a renewable, natural resource. Today, only 9 % of our global consumption is based on recycled or reused resources.¹¹ However, a reduction in consumption is currently incompatible with the industries' need for constant profit through selling goods and services.

To move towards a more sustainable economic model, we need more innovation and local production. A secure minimum income can release entrepreneurs and farmers of the heavy burden of economic survival. UBI will facilitate innovation and the creation of small-scale activities by reducing the economic risk of entrepreneurship. Growing out of people's own needs and aspirations, such activities can be seen as meaningful and providing at the same time, an alternative to outmoded and ill-functioning systems.

This way, UBI can facilitate the manufacturing of fewer, good quality products. UBI also makes it more realistic to initiate more sustainable agriculture practices, such as regenerative farming. Regenerative farming methods contribute to less toxicity and more biodiversity, which can contribute to ***SDG 6 Clean water and sanitation***. More sustainable agriculture practices also involve decreased meat production and consumption, as to feed a population, meat production demands more than 10 times the resources compared to grain and vegetable production. Not only is vegetable production more sustainable than meat production, increased consumption of vegetables and grains will also benefit the health of the people – and the planet. We are facing a nature crisis as well as a climate crisis, where the extinction of species has become a major threat to the wellbeing of people, animals, plants, and eco-systems.¹² Richer biodiversity and a more responsible cycle of production and consumption will contribute positively to ***SDG 15 Life on land*** and ***SDG 14 Life below Water***.

Reduced transportation due to more local production will lead to less energy consumption, which might mitigate the demand for fossil fuels. This, in addition to new technologies and innovation, can help achieve ***SDG 7 Affordable and clean energy***.

Local production in combination with a UBI for every individual might lead to more inclusive and innovative societies, where everyone can contribute to community development in their preferred ways. This can lead to ***SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable Cities and Communities***.

3.3. Peace and Justice

The goals are all interconnected and must be seen as a whole picture since the goals and their solution influence each other. UBI is connected with ***SDG 16 Peace, justice, and strong institutions***, by creating a more just world where inequality is reduced and Human Rights are taken more seriously. Conflicts between rich and poor, black and white, men and women will be reduced when everybody's basic needs are met. Experiments with basic income have shown reduced crime rates^{13,14} and increased trust in institutions and other people.⁶ We envision that healthier people and communities, with more social cohesion, trust, and equal opportunities will create more peaceful and sustainable societies.

Finally, ***SDG 17 Partnerships for the Goals*** can only be achieved if people have the time, resources, and space to engage with political processes from the bottom-up. Everyone's voice must be heard. To be able to engage in voluntary democratic activities, people need to know that they can take care of their basic needs.⁷ UBI can release people's energy and motivate them to get involved in partnerships for a sustainable future on local, regional, and global levels.

The quest for constant economic growth at the expense of the climate, biodiversity, equality, and human well-being has brought us where we are; at the brink of catastrophe. Unacceptable levels of inequality and a severe nature and climate crisis is challenging our understanding of global responsibility. To counter this, we need a UBI, which can lead the way towards more sustainable rural and urban communities across the world.

A new paradigm is needed to move away from the dominating economic growth mindset that most political parties rely on. We need to start valuing quality over quantity, caring for all of humanity, and more fully appreciating our material wealth and belongings. We need to focus on values that are not so easily measured, such as time, freedom, and relationships. UBI can give us the economic safety we need to value our friends, nature, and community over constantly striving for more money and efficiency.

Poverty and inequality still remain as we have passed 5 of the 15 years to 2030. So far, we have no reason to believe that the UN Sustainable Development Goals will be achieved by 2030.¹⁵ Implementing UBI will immediately have a huge impact on ***SDG 1 No poverty, SDG 2 No hunger, and SDG 10 Reduce inequality***, while heavily impacting all of the 17 SDGs, as we have shown.

The Nordic countries have a strategic role to play, in being able to actually show the path for a sustainable future in accordance with the SDGs that we all agree upon, but fail to commit to reaching.

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4. Work as a Human Value – a Challenge to GDP

Vivan Storlund, Finland, (Living in the Netherlands)

Ever since the measurement of the gross domestic product, GDP, was introduced in the 1930s, its suitability for this purpose has been questioned. Many alternative measurement models have since then been developed. A central one is a proposal presented by the Stiglitz-Sen-Fitoussi Commission convened by the former French President Sarkozy to measure economic development and social progress. Sarkozy's goal with the Commission was to address the gulf of incomprehension between the knowledge presented by experts and the citizen whose experience of life is completely out of sync with the story told by the data. Nothing is more destructive for democracy, Sarkozy observed. The Commission gave its report in 2009, Report on the Measurement of Economic Performance and Social Progress.¹ There is solid economic knowledge behind the report as it is headed by two Nobel laureates, Professors Joseph Stiglitz and Amartya Sen together with the French economist Jean-Paul Fitoussi.

The report can be seen as a game changer. The Commission considered that if its recommendations are followed, they can have a decisive influence on how governments' policies are designed, implemented and evaluated. The Commission's advice was simple, to change the focus of the statistics from economic production to factors affecting the well-being of today's, and future, generations. This report has been followed up by a High Level Group on the Measurement of Economic Performance and Social Progress (HLEG), hosted by the OECD. The group was working further on the initial report of 2009 for more than five years (from 2013 to 2018). The latter report has the revealing title Beyond GDP: Measuring What Counts for Economic and Social Performance, OECD, 2018.²

That the high level group was working more than five years to further develop on the proposals of the 2009 report indicates that the problems associated with GDP have been a hard nut to crack. But the results are encouraging, as the report reveals how misleading the simplistic calculations of GDP can be and the consequences they can lead to. It shows the gap between the "experts" knowledge and the citizens' experiences that Sarkozy pointed to. The growth mantra is being critically addressed, and it is high time to point this out, because growth has been one of the points on which GDP has been criticised, even way back.

Simon Smith Kuznets, who received the Nobel prize in Economics in 1971, has emphasised that the objectives for growth should be specified: more growth of what and for what.³ Kuznets received the Nobel prize "for his empirically founded interpretation of economic growth which has led to new and deepened insight into the economic and social structure and process of development."⁴ Yet, prominent economists still struggle to get this message through, although it would appear that things start happening. The OECD has launched an Inclusive Growth project, aimed at jointly analysing "growth" and "inequality", which had until then, been looked at separately. This can sometimes lead to inconsistent policy recommendations. Building on this work, OECD launched the Framework for Policy Action on Inclusive Growth, which aims to guide policy-makers to design policies that distribute the benefits of growth more equally, giving people a fair chance to achieve their full potential.

Angel Gurría, OECD Secretary-General observes in the foreword to the high level report *Beyond GDP*: "While we may not have travelled the full distance, we are now better equipped to address today's realities and challenges. ... It is only by having better metrics that truly reflect people's lives and aspirations that we will be able to design and implement better policies for better lives."

The recovery from the economic meltdown of 2008 is a revealing example. The high level committee points to the disparity between what was happening on the ground and the announced economic "recovery". This disparity almost surely contributed to the growing lack of trust in governments by so many citizens over this period. Most OECD countries are facing a "trust crisis". Confidence in national governments, which are around 40% on average in OECD countries, fell by 10 points or more in many of the countries that were hit hardest by the economic meltdown of 2008 (e.g. Greece, Spain and Portugal). In countries that were less affected, confidence was strongly improving, in Germany to 65.4 percent in 2020. Among the Nordic countries, only Iceland being 59.2 percent, ranked below Germany that year, whereas the other Nordic countries topped the statistics. This high degree of confidence makes the Nordic countries well suited to show the world a roadmap for a more human centred and democratic economy.

As governments are now considering what actions to take after the extraordinary measures taken during the Covid crisis, the findings of the high level group are worth serious consideration. In their report, *Beyond GDP*, they observe that a more adequate set of indicators, reflecting the true depth of the downturn and its long-term economic implications, might have allowed governments to respond more forcefully, with special attention to those parts of the population that were feeling the full brunt of the recession. Reliance on the wrong indicators, with governments announcing recovery while large parts of the population were not experiencing any improvement in their well-being might also

have contributed, at least partly, to the distrust in public institutions and the rise in discontent and anti-globalisation sentiments. Even without considering the full cost of human suffering, the long-run costs of the recession to people's well-being have been enormous. Recent OECD work on the joint distribution of income and wealth shows that more than 40% of people in OECD countries lack the liquid financial assets that would prevent them from falling into poverty if they had to forego three months of income, which is a widespread vulnerability to unforeseen economic shocks. Many households lost their home and jobs and often their hope in the future, in addition to their income. And those who didn't, are fearful of having to go through with it.

An unconditional and universal basic income would be an obvious buffer for said issues, but sadly, this solution is not mentioned in the reports.

4.1. Work is so much more than employment

The Stiglitz-Sen-Fitoussi Commission wanted household data to be registered in the national accounts. In 2011, OECD and Eurostat carried out a feasibility study for compiling distributional measures of household income, consumption and saving within the framework of national accounts surveys and tax data together with other data sources.

Furthermore, OECD is now recommending the use of time as a means of measuring societal value. Here some random picks: Statistics Finland estimated in 2018 that the value of unpaid household work corresponds to 36 % of GDP. Daniel Susskind gives the following figures: In the UK, the combined value of household routines is estimated to count for £800 billion – more than four times the size of the manufacturing sector. And it should be added that most of this work is done by women. Most caregiving is also unpaid. In the UK, around 6.5 million caregivers provide unpaid care worth up to £100 billion.⁶

To take account of these activities is a quick and effective way to record an increase in national wealth and 'employment'. In addition to work in the homes, we also have work in the creative sector that now exceeds the turnover of several industrial sectors. The problem here is that artists seldom get proper compensation for their work. The same goes for work in civil society, which is poorly registered in GDP. Social return on investment and the circular economy are important forms of value creation that need to be seriously considered.

Hopefully, there is preparedness in the Nordic Ministries of Finance to consider these new dimensions of economic measurement. The Programme of Prime Minister Sanna Marin's Government 2019 "Inclusive and competent Finland" promises alternatives to the previously pursued economic policy. The ecological and human-centered programme presupposes a decisive change in mental attitudes, away from a view that success is merely an increase in GDP.

Jan Otto Andersson makes a pertinent observation (HBL Debate 27.6.2019) about the difference between the economic policy pursued so far and the promised policy that focuses on ecological sustainability and social welfare. Employment is central in the debate, and Andersson points out that if our main focus is on ecological sustainability and social welfare, future jobs will differ from those of today, where profit is the main goal. With the government's new direction, it is not difficult to find new tasks, says Andersson.

The Stiglitz-Sen-Fitoussi Commission's Report on the Measurement of Economic Performance and Social Progress in 2009 and that of its follow up group, the High Level Group on the Measurement of Economic Performance and Social Progress (HLEG) Beyond GDP: Measuring What Counts for Economic and Social Performance in 2018⁷ have brought us a good step forward a sustainable and a human-centered economic policy.

The next big challenge, thus, is for national finance administrations to apply the proposals and for politicians to take the required action.

4.2. A Transformed Working Life

The digital age is a decisive game-changer when it comes to working life. The process of change, which started with the flexibilisation of working conditions, technological development as well as globalisation has led to a growing precariat. In addition, present and future prospects of artificial intelligence, AI, involve such profound changes that we need new approaches to what we mean by work altogether. Will we talk about the emergence of a 'class of useless people', as some do referring to a time when most conventional jobs are gone, or can we envisage new approaches where human dignity is the starting point? UBI is such an approach. Here are a few examples of the benefits:

In a nutshell, a basic income could:

- Counterbalance injustices and undo knots in institutional structures that have passed their best before date;
- Reduce the price people have had to pay for reckless behaviour in the financial and business world;
- Favour entrepreneurial activities that are more focused on people's needs than that of what big business needs;
- Favour artistic work, thereby contributing to a greatly expanding sector that does people good and does not burden mother earth;
- Reduce our ecological footprint;
- Generate a virtuous circle with spin off effects for people as well as local and national economies.

4.3. How did we get here?

The root of the problem with a growing precariat and an increasing number of working poor lies in labour law's narrow premise, which is full time employment. This narrow 'standard', has led to a situation where the protection labour legislation is intended to provide, has come to cover an ever decreasing number of working people. Those who work in formats deviating from 'the standard' face constant insecurity and low income. This is how the precariat and the working poor have entered the labour scene in the past decades, after the consolidation of workers' rights that the trade union movement had achieved in the post world war II period. Employers' flexibilisation of working conditions without any corresponding compensation for those employed in what became called 'atypical' work, has thus made such persons innocent victims of unfair regimes. This involves the whole range of flexible work formats such as part-time or short-term contracts, so-called 0-hour contracts, freelancers, micro-entrepreneurs, cultural workers and a growing body of independent professionals, such as researchers. Instead of being compensated for forfeited rights, persons in a precarious position are often subjected to humiliating means-testing and control when they have to rely on social security. This arrangement leaves much to be desired from the central requisites of the rule of law, such as predictability and legal certainty. Equally, central requisites of human rights, such as respect for human dignity, are found wanting.

Basic income is a direct remedy to this problem, as it will, like Alexander the Great's sword, cut the Gordian knot in which arrangements in working life and social security are now ensnared. This will remove the solidification of employment as the only 'proper' form of work, and release those who do not fit 'the standards' from the shackles of means-testing and control. Instead, basic income will pave the way for people to engage in activities of their own volition. They can plan their lives on ventures such as art or research, instead of looking for work as a means of subsistence.

We need a decisive overhaul of the way work has been perceived when industrial production was the dominating economic driver. Instead, we need to give space for and focus on the great diversification of activities in which people are engaged. This will place people's activities centre stage, thereby substituting the instrumental notion of employment with the value of human activities. This should thwart the disgusting notion about the emergence of a 'class of useless people'. Instead, we can concentrate on how meaningful people's activities are. This will reveal how much humanistic care taking and creative activities people are engaged in that fall outside what today is registered as work measured by GDP.

New forms of work require a new form of legal regulation. Here, the creative sector can serve as a model, which in recent decades has generated greater economic growth than some industrial sectors. However, due to labour law's narrow focus on employment, the artists' efforts have been invisible to a large extent – and their economic compensation is anything but certain. By focusing on the work that is actually done, the artists' contribution would be made visible. A changed definition of work, to also include work performed outside employment, would generate a substantial increase in the 'employment level' that governments generally seek. It is already here, it only needs to be made visible!

We need to return to the original idea of the welfare state, where social justice was a guiding principle. Thus, instead of the workfare paradigm -policies now practised, we need to free people from their shackles. This will allow for self-organising processes where people decide their own wishes and preferences. The transition from control to self-development is not an easy task for everybody. Humanism must be in the forefront, supported by education and enhanced through voluntary work in civil society.

Once we have the distribution of shared wealth changed in the right direction in the form of an unconditional basic income, we can move higher in the Maslow's hierarchy of needs - from basic needs to social and intellectual fulfilment.

The cultural sector and civil society have always been breeding grounds for societal reform. But also here, changed perceptions are required to facilitate the self-organising processes that are needed or desirable to adapt to societal change. A crucial question here is the autonomy needed to be able to act and react. Social security, as an extension of working life, is dominated by means-testing and control, and such is also the situation for activities in the cultural sector and civil society. Here, people wanting to act for others or pursue a passion, as artists often do, are burdened by conditioning and control when applying for funding for different activities. Finally, in addition to UBI, let me offer one practical suggestion for easing their burden concerning the application process, which should be reversed.

4.4. A reversed process for the application of funding

There is an exorbitant burden put on people who need to secure funding to carry out their work. Many application systems make funding out of reach for individual people and small groups. At the same time, new professions emerge such as experts on how to apply for funding, which consumes resources that should be used for the original work. For the stimulation of creative ideas, grant applications systems need to be simplified so that it is the *idea* that is in focus, not the application.

As many application systems work, the autonomy of the creative process is jeopardized. Thereby the self-organising processes that are absolutely vital in situations of meaningful societal change can be endangered because of steering mechanisms often involved in project funding.

Digital means could be used to rationalize the application of funding for different activities. This could be done in the form of a digital funding platform borrowing features from crowdfunding. There individuals and groups seeking funding would present their projects, in the form of a demo video or other form that presents the gist of the project. This would be accompanied by keywords and a budget. From here on it would be up to the funding agencies to take a stand on the different applications. Having keywords as a navigation tool would avoid that an application might be rejected on grounds that it does not meet the requirement of the funding agency.

A reverse application process departs from the autonomy of the creative processes. Instead of different requirements that each funding agency has for applicants to abide by, an application should be treated 'as is' that funding agencies should take a stand on, in line with their mission statement.

The applicants would have their projects active on a funding platform until they have received the applied amount and they would be able to start working as soon as they have means to do so. This would be the shortest route from point A = an idea to B = to start working on a project. This system would ensure that a maximal amount of the money funding agencies have at their disposal would go to their target groups instead of the body of persons now involved in evaluating applications.

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5. There Are No Useless People - Building a Stronger Civil Society With UBI

Gerður Pálmadóttir, Iceland

The crisis surrounding coronavirus has put basic income once more on the agenda, raising the question why UBI has still not been implemented. Covid-19 showed how unprepared our societies are facing crises that hit vulnerable people particularly hard. But to blame the ongoing crisis for the precarious working conditions and the loss of many jobs is oversimplification. The crisis was already there.

Pandemics are a part of life and can be expected at any time. Therefore, governments should be prepared to cope with those unwelcome guests at all times. Our societies should be built on a more stable economic system. UBI would be incredibly effective in creating financial security and stability which would prove its value as the base of a progressive society, enabling people to find their own ways to challenge unexpected hindrances in their daily lives. One thing became clear during the crisis: there is no shortage of money when urgently needed, only a question of how it is used.

Globalisation has shown us how easily we can join forces in pursuing our common goals, such as solving the threats to humanity and life on earth, if only the focus was on cooperation and mutual respect instead of competitive and aggressive accumulation of wealth by opportunist usurpers.

5.1. It is the People That Makes a Society

What those in power rarely seem to understand is that everybody's input in society is what creates the union we call society. Those who talk about the emergence of 'a class of useless people', when the most conventional and routine work is gone, or taken care of by AI, are blind to what society stands for. The disappearance of many jobs that become redundant will open the door for a specific, special gift to humanity: creative energy, the entrepreneur, within all of us. Humans are social creatures. Therefore AI will never replace the essence of

life itself, emotions such as excitement, pride, acknowledgements, sense of belonging or family bonds and social contacts. UBI offers human dignity and possibilities to reach the immeasurable value of enjoying life as never before with the addition of the free choice of how to engage in it.

In a country that respects human rights, basic welfare of all citizens is its fundamental obligation. Every state's original function is to secure every person's basic needs, that is, moderate livelihood and a low threshold access to participate in the society one belongs to. Via UBI, millions of people will be given the means to participate in solving today's greatest threats life on earth is facing, and to nurture it back to health.

Employment, the relation between employer and employee, is still structured the same way as slavery, the relationship between owner and slave. Ownership of people's lives and input should not be humanity's most important life line. People should not have to find an employer to work for instead of realising their own ideas and dreams.

The exceptional, disregarded value of the 'unemployables', mainly independent thinkers, entrepreneurs, politically unwelcome projects, cultural or scientific non profit projects that mostly do not fit under profit driven companies' might, once UBI will be implemented, become an important sector of society. Finding companies embracing new ideas without completely overtaking them and/or leaving the innovator out in the cold, is a near impossible task often claiming a lifetime of trying.

5.2. What will the role of Workers/Trade Unions be with UBI?

With UBI implemented, all Workers/Trade Unions will be freed from the fight for basic minimum salaries necessary for survival, thereby acknowledging employers as their members' life line. That fight over salary, based on the misunderstanding that employment is the natural master of people's life, has probably taken most of the Union's time, energy and money instead of being able to guard the respect and value of work delivered, working conditions, contracts, working hours and rights after contract termination.

Everyone should be eligible for a membership in Various Trade Unions, VTU, of their own choice, as the task of unions should also cover the interest of everyone selling their work, including the growing class of self-employed workers and precariats. Unions will be able to support and energize the fast growing class of the involuntary jobless people, hosting an immense treasury of experience and know-how, by scanning the field of opportunities and igniting the interest necessary to chase them.

Only when people will be able to say **no** to paid 'useless' jobs, employers will have to apply for employees, not the other way around. Unions need to take on the hugely overdue task of grading the policy standards of companies - just like stars for different standard hotels, or like Michelin stars for restaurants. It will strengthen people's possibilities for teaming up with a company in the field of their interest where they prefer to invest their time, energy and talent; where their input will be valued. Paid work on top of UBI should be an additional means for people to reach the lifestyle of their dreams and wishes.

Unions will have to adapt to different working realities. Their task will be securing fair pay for work delivered by mastering win-win contracts with priority on team based cooperation, encouraging and supporting their members from every walk of life and engaging in progressive development.

Unions will also be able to focus on financial guidance for their members in savings and trust funds. Scaling working experience with school certificates, guiding people towards further education or training in order to step up to achieve bigger goals. Voluntary or duty-bound domestic care work, otherwise requiring hired external help, should be registered as governmental employment and be protected by a union.

The will to solve dilemmas between employers and employees will grow as strikes will be easier for the workers, as their livelihood does not depend on their salary, and their replacement will be harder due to everyone's secure financial base. Teamwork, good reputation based on mutual respect will become the aim of every respectable company. Nobody will be proud to run or work in a one star company.

5.3. Dare to Share, the New Challenge

We need a changed perception of ownership. The whole of mankind, are co-habitants on this earth and have equal rights to the dividends of the wealth it creates. This wealth is unjustly siphoned by private entities and should definitely be used for protecting the vulnerable, e.g. securing UBI for stateless refugees would help them to adapt to the changed circumstances, prepare for returning to their homeland or a new country, and assist their prospective new homeland with adaptation and integration.

There are no UBI pilots needed to analyse its positive impact on society, only common sense. A gradual but direct implementation on a small scale would confirm its evident simplicity and positive effects. It is as obvious as feeding a hungry child to solve their hunger. Acknowledging UBI as a next step for the states to fulfil their obligations of securing peoples livelihood, basic needs and participation in societal activities, is long overdue.

UBI will have a profound positive impact on most societal institutions. Instead of overhauling the existing social security system, UBI will refine it to a much more elaborate stage as it will free people's time and energy, and enable them to utilize their full potential.

Only when UBI has been implemented, Civil Society has a realistic possibility of a stable, durable existence.

6. Improving Social Security With UBI

Jouko Hemmi, Finland

The UN definition for social security is a fine example of what good social security should include: "The right to social security encompasses the right to access and maintain benefits, whether in cash or in kind, without discrimination in order to secure protection, inter alia, from (a) lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) unaffordable access to health care; (c) insufficient family support, particularly for children and adult dependents."¹

The Nordic countries have adopted the UN definition of social security as part of their own constitutions. We know that other laws must not be in conflict with the constitution. Therefore, the most important question concerns the differences between the noble promises made by the constitution and what reality looks like.

6.1. An Outdated Social Security System

Societal change has revealed serious flaws in the Nordic social welfare systems due to a narrow presumption of labour always being full-time employment. This has led to a segregation between those who have or have had full-time employment and those who have earned their living under more uncertain conditions. People who fall outside the protection of labour law and social security are left in an unequal position. This combined with unemployment can easily lead to social exclusion. Such segregation and decrease in life conditions may affect the wellbeing of ordinary people. Thus, they should be tackled by an adequate social security system.

Our heavily antiquated social and labour legislation, regulations and administrative practices generally provide citizens with conditional social security benefits. Human dignity itself is conditioned and measured by social security and labour legislation, whether you are in the labour market or not, and whether you are actively seeking work or not. When one loses their job, they lose their status as an autonomous member of the society and will be labeled as a claimant of conditional "social" help; thus becoming a marginalized human being pondering where their human rights are.

The workfare paradigm, mentioned earlier in Martin Bruun Michaelsen's chapter, subjects the unemployed to severe sanctions and penalties. It causes them to be marginalized, branded lazy and incompetent. There is no way to avoid being heavily controlled and humiliated. A recent attempt to activate unemployed people in Finland with an activation model² mostly activated itself by heavily increasing bureaucracy and control of the unemployed rather than organizing and providing the unemployed with work and better living conditions.

People should not be forced to work, but work should always be profitable. Irregular income causes constant difficulties with social security. The social security system creates situations in which, for example, the salary of a small gig job doesn't add much income, but might have significant negative impacts on the level of benefit support. Moreover, in our current system a job seeker can't get personal assistance and has to take jobs which are not compatible with their training and do not offer a living wage. Same goes for social work: social workers are forced to be bureaucrats, and they can't do social work for which they have been trained.

In Finland, employees enjoy free occupational healthcare. This is something that should be extended to everybody, as people outside the labour market or at its fringes often fall under the poverty line. By having to pay for healthcare, these people are denied free access to healthcare - a benefit free for people with more financial stability to begin with. We know that general opinion has traditionally presumed that work (preferably full-time) is the best guarantee and method for a secure livelihood and social position. Social security is means-tested and is maintained as an imperative of the Lutheran-Christian moral ideal of the past, that "He who does not work, neither shall he eat". Yet, as the labour market has changed, our laws have not changed with it. Policy has fallen behind.

6.2. How does UBI improve the Social Security System?

Basic income releases people from statuses and labels and allows them to become subjects of their own life. It revitalizes the desolate countryside by improving farmers' economic cost structure. From a middle class point of view, basic income is a great help for single-parents and families. It also helps young people become independent.

As the employers (especially small and micro entrepreneurs and solo contractors) also receive UBI, it will improve the matching of labor supply and demand in an unprecedentedly positive way. The negotiating position on working conditions for both parties will become much more incentivizing and flexible. Here, requirements for job qualifications, salaries, etc. match the skills related to the nature of the job on offer; and the job applicant's freedom of choice is greatly improved. Thus, an even greater number of unemployed people can look for a job without the fear of sanctions and penalties. For a person intending to become an entrepreneur, UBI is a real kick of happiness, as it is a permanent start-up money.

In addition, the employment officials can concentrate on helping people with their employment issues instead of controlling and monitoring the unemployed. Same goes for social workers, when freed from their surveillance work, they will be able to see people who are in true need of real social help, face to face.

6.3. Realizing what was promised

As there have been many trials and researches carried out on UBI in many countries with good results, mentioned earlier in Martin Bruun Michaelsen's chapter, the need of a directly introduced UBI as a major part of a social security system is evident.

The Covid-19 pandemic has put many systems to a test. The grave socio-economic consequences of the pandemic would at least at a personal level be alleviated by introducing a universal basic income. This would in turn spur local economies and that of many small enterprises and self-employed persons.

Referring also to our project's title, "Basic Income - Cornerstone of the Nordic Welfare State", we have good enough reasons to suggest – as it is a question of greatly improving the traditionally good cooperation between the Nordic folks – that it is worthwhile introducing UBI in all Nordic countries concurrently, instead of realizing it as a set of country-specific basic income trials. UBI should be put straight to use. As economist and philosopher Philip Kovec suggests: "A basic income cannot be tested, it can only be practiced."³

The Nordic countries have joined their efforts. Basic Income Earth Networks all work for the restructuring of societies in order to contribute to achieving a more humane life for all – with UBI. It would be a great step forward for the welfare states, and arguably an inevitable solution for updating our current social security system. And most importantly, the noble promises guaranteed by the constitutions would finally be realized.

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7. How would UBI Help Contribute to Peace?

Kaisu Kinnunen, Finland

This article looks into the many positive outcomes that could be achieved if people had genuinely equal opportunities to participate in building peace.

In the light of new global security concerns, such as climate change, pandemics, polarization of values, and growing economic insecurity, it is increasingly important also for the Nordic welfare states to consider fresh ways of adapting and reforming our systems to better protect basic human needs, of which UBI might be the most simple and effective one.

I'll discuss the broad concept of peace which will help us better understand income security as a basis of peaceful societies. I'll consider the possible impacts this security might have on peace work done by civil society.

7.1. Peace is more than an absence of war

Peace is often described through conflict resolution and prevention but there is more to peace than absence of war. Best way to prevent conflicts is actually by actively building and maintaining peace. This might be best understood if we take a look at Johan Galtung's, the Norwegian sociologist and a pioneer in the field of peace and conflict studies, definition of negative and positive peace.¹ Here, negative peace means absence of direct violence whilst positive peace refers to a so-called active state of peace where there is no structural or indirect violence either. Positive peace is a desired state where disagreements are resolved without violence and peace and cooperation are promoted by addressing the root causes of conflict.²

Positive peace includes, for example, equal opportunities for influence, indivisible human rights for all, and the safeguarding and realization of people's basic needs. Positive peace is also defined through functioning institutions, norms, and attitudes.

Nordic welfare states are often described through the same pillars³ that define positive peace, like well-functioning administration including participation opportunities; fair

distribution of resources; as well as a high level of human capital that encourages positive customs, creativity and building emotional intelligence.

Thereby positive peace is associated with many desired socio-economic outcomes. In a peaceful society people's basic needs and wellbeing are taken well into account. Equal opportunities and fair distribution of resources, be it education, healthcare or income⁴ are essential if we want to achieve positive peace. In such thinking, sustainable economic and social development is the best guarantee for maintaining peace. Positive peace creates sustainable peace, a stable state of peace where everyone has possibilities to flourish without fear of violence or exclusion.⁵

In a peaceful society social or political change is achieved using peaceful means and avoiding use of physical or armed force against other people. This is done by voting, campaigning, or by way of peaceful demonstration. Nonviolent action is, in its essence, inclusive and free of power structures. In opposition, violent action always limits people's participation and creates discriminatory structures. Violence can be direct and physical or mental use of force, or it can be manifested as indirect cultural or systemic discrimination which creates fear. Dealing with consequences of violence affects societies in many harmful ways, and it takes resources away from productive activities.

Peace work seeks to remove structures that create violence by giving people opportunities to participate in meaningful activities.

7.2. Peace work

Civil society has a major role in promoting peace. Many international disarmament treaties and agreements are results of civil society's long-term campaigning which goes to show the importance of non-governmental organization's (NGO's) role in peacebuilding.

Peace work is oftentimes carried out by nonprofit organizations. Thus, it relies strongly on voluntary work due to a lack of resources. Regardless of governments supporting NGOs, much of the work is still based on unpaid volunteers. Nordic countries have deep roots in voluntary activities which connect people to decision-makers.⁶ As such, volunteering serves as a way for people to influence politics; and in the Nordic countries, decision-makers have been quite open to support and listen to civil society actors. In Europe, the Nordic countries rank the highest "in a measure of the proportion of the population working voluntarily".⁷

Lately, fewer and fewer people become members of the organisation they volunteer in, meaning that they spend less time in voluntary work. Reportedly "there are also signs that, in recent years, the individual citizen has had less time for voluntary work".⁷ This may imply people needing to work harder to earn a sufficient livelihood. Decrease in participation may result in a weaker sense of belonging, and a loss of the relatively high level of political trust

present in the Nordic region – both that are built with close relations between civil society and politicians.

Peace is also built through trust, be it people's trust in institutions or trust between states and people. High trust benefits us economically and socially – people are happier, crime is lower and people are more inclined to participate in creating common good.⁶ Thus, trust is a key element of a peaceful and well-functioning society.⁸

One solution to the growing lack of participation offered by the Nordic Council of Ministers⁷ is to ease bureaucracy and find new forms of funding to simplify organisations' functioning. Cooperation in the Nordic countries is a strength that we shouldn't let quietly fade away, so the question arises, is there more to be done to ensure sufficient opportunities to participate? Could the Nordic region be the superstars of participation, political engagement and giving people freedom to pursue peace with the region's long history in volunteer work? The answer is yes.

Social welfare, trust and freedom to make life decisions among other things make Nordic societies the happiest in the world.⁹ To ensure positive development in the face of global challenges, it's crucial for the welfare state to evolve. Nordic welfare states have all the resources to contribute to the common good of humanity, jointly being “superstars” as good countries. Small countries can make a difference when they work together.

Why is this all relevant to the basic income conversation? In short, the ability to rely on a secure income allows for people to focus their efforts in building a peaceful society. The lack of this security limits people's opportunities to contribute to the well-being of the society. People find meaningful activities through volunteering, and with UBI everyone would have the freedom to pursue their dreams. This way UBI would enhance security in multiple ways. According to the Finnish partial basic income experiment, (among others) recipients of basic income have more trust in institutions and for each other.

Basic income, as a sufficient livelihood, can in itself work as a basis for sustainable peace. Furthermore, it provides countless windows of opportunity for peace work to flourish.

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2. Conflicts are likely to occur if people's livelihoods are endangered, or distribution of resources in society is unfairly organized. Risk of social, violent or armed conflict rises with difficult economic situations and poverty creating crime and instability. Economic conditions are the main causes of armed conflicts. Look e.g. source 3; [Climate-Related Security Risks: Towards an Integrated Approach](#), Mobjörk, Gustafsson, Sonnsjö, van Baalen, Dellmuth & Bremberg, SIPRI, 2016
3. Look e.g. [Global Peace Index 2021: Measuring Peace in a Complex World](#), Institute for Economics & Peace, 2021
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8. UBI as a Base for Economic Democracy

Jan-Otto Andersson, Finland

The Nordic nations are dominated by capitalist economic relations. Access to the means of production and economic power is still very unequal, and the profit motive dominates economic life. The Nordics, nevertheless, have been successful in restraining several of the negative side-effects of capitalist domination. The states and the municipalities are strong, non-corrupt and democratic; the welfare systems are relatively universal and generous. During the last century they have established both political and social democracy. Despite strong trade unions and socialist parties, they still have not been able to achieve the third goal: economic democracy. Could an unconditional basic income, introduced as a right for all inhabitants, provide the base for a transition towards an economically democratic society?

The Nordic welfare states already have the administrative capabilities to introduce a basic income for all inhabitants. Every child receives a monthly benefit and every aged person at least a guaranteed minimum pension. People of working age have the right to various monetary benefits as social security, but these, although universal, are conditional. Households that lack enough income or property to get along, have the right to receive a supplement income – an income support – that helps them to buy certain necessities and to rent a flat. The income tax system is almost automatic; the tax is paid as you receive the income. The administrative possibility to introduce a monthly income transfer – in the form of a social dividend or a negative income tax – that gives everyone an unconditional basic income is already there. The tax system could manage to pay an appropriate transfer almost in “real time”. This warranted income would function as a base for all other types of income, including conditional social security transfers such as disability, sickness, unemployment and parental benefits.

In a book – *How to Be an Anticapitalist in the Twenty-First Century* – written shortly before his death, Eric Olin Wright carefully describes how a basic income could work as a device for a transition towards economic democracy. A UBI would contribute to the undermining of capitalism in four different ways: by harnessing it, by strengthening the opposition towards it, by assisting “flight” from it, and by gradually dismantling it. I shall shortly discuss each of these modes in a Nordic context. Wright also discusses a variant called revolutionary crushing of capitalism, but he considers it to be an impasse if the aim is democratic

socialism.

To harness capitalism, to alleviate income insecurity, abate economic crises, provide essential services and infrastructures that capitalist markets cannot supply properly, are the normal day to day activities of the Nordic states. Although initiated by socialists, nowadays these measures are mostly accepted also by the bourgeois parties. The measures have a double-faced effect. At the same time as they harness capitalism, they stabilize and make it more durable. They create non-capitalist lines of action and institutions that could be used to undermine capitalism. The commodification of labour is softened and the scope of action of capital owners is limited. The “Swedish model”, established in the 1950s, characterized by full employment, solidaristic wage settlements, active labour market policies, and a strong transformation pressure on the firms, was an iconic example of harnessing capitalism. It also constituted an intermediate stage towards the introduction of wage earner funds that threatened the dominance of capitalist owners. However, the defeat of this reform in the 1980’s re-established the dominance of profit driven private capitalism.

A basic income would strengthen the position of workers vis-à-vis employers and the decommodification of labour. It would, at least partly, be financed by collective funds and taxes on private capital income, reducing the power of the capitalist class.

The opposition towards capitalism in the Nordic countries is relatively weak. Socialist parties, at most, try to limit private companies from encroaching upon the public welfare system. Neoliberal market fundamentalism is resented, but private wealth and “national champion” companies are revered. A basic income would not directly change this appreciation. It could even become a means of supporting capitalism and market solutions. In order to finance a full basic income, we would need an economy that is internationally competitive and affords the needed tax income. An unconditional basic income can change capitalism in many ways, but as such it would hardly strengthen opposition towards it. However, it would assist the “flight” from it.

“Flight” is made possible since the workers get a “wage” without having to sell their labour to a capitalist firm. They can choose to become their own employer, enter a cooperative or take part in activities in the “third” non-capitalist sector. They can prolong their studies, do cultural unpaid work or take better care of their loved ones.

Could a basic income also contribute to the dismantling of capitalism? A high enough unconditional income would change people’s attitudes to wage work and money in general. They would not accept work that is not satisfying and performed under bad conditions. They would, however, engage in work that gives internal rewards even though the monetary compensation is second rate. The changes in mentality and personality could gradually undermine the capitalist ethos. Undemocratic firms would then be discarded, and the profit

motive would become secondary. Economic growth and enrichment would no longer be a worthwhile objective. If there are necessary tasks that too few are prepared to perform, the best solution would be to share them by means of a democratically administered establishment.

In the Nordic countries, an evolutionary transformation towards a more non-capitalist, egalitarian and democratic economy is feasible. Basic income could be a crucial condition for this change. It is, however, important not to try to abolish the existing social security system by a direct transition to a full basic income. A social dividend or a modest negative income tax could be introduced without overhauling the elaborate system of social security and public services. The system could gradually be adapted to a higher basic floor by reducing other monetary transfers and increasing publicly financed social services.

It is important to have the long run democratic goals alive, as the gradual introduction of less conditional money transfers are introduced through a democratic political process.

9. Carbon Tax – an Illustration

Harald Enoksson, Sweden

Many of us care about the climate and the environment in order to not end up killing ourselves, which might be the case if we don't stop the pollution, which we haven't. The discussion in a kitchen like mine could go like this:

A: I'm buying these ecological kidney beans.

B: They're grown close to us, but you *do know* that they are transported to Italy, cooked and canned, and then transported back?

A: Yes, but transportation is a very small part of the pollution from food, look at this graph (shows a graph showing that meat is bad, beans are good, with transportation as tiny red lines). And you're buying beans from Turkey, which are also transported anyway.

B: They are, but I buy them dry, meaning that they are more efficient in kilos of CO₂ per kilo of protein.

A: But they're not ecological! You don't like birds?

B: I do, but we are currently farming almost the whole planet, meaning that wildlife gets killed, and that we dive into all sorts of scary viruses (such as Covid). Planting them conventionally is much more space efficient (shows graphs), giving more room for real nature with animals and plants doing their thing.

A: But for how long do we have these fertilisers? Is that really sustainable?

And so on. It's impossible for environmental people to make the correct decisions. And then we have the majority of people who simply don't care. They say: "politicians have to solve this". And if a politician is what you are. Please let me help you. There is one infallible rule a customer is using when choosing what to consume: The price. It is infallible, because when the consumer buys something "bad", they get less money, and thereby less ways of polluting. The cost of the pollution has to simply be included in the price.

We have experimented with various ways of doing this, and we have found that the most efficient way is to tax the CO₂ pollution. Two countries who recently increased their CO₂ taxes are France and Canada. In France, this led to up to three million French people

protesting, dressed in yellow vests. Most of them live in the countryside or in distant suburbs, being self-employed or low-status workers. It was a class-based conflict, and the most violent since May 1968. Eleven people have died, and over four thousand have been injured. The cost of it has been calculated by insurance companies to be 217 million euros. And it made president Macron very impopular, and it has made him remove his CO² tax increase. The French have decided to keep killing our planet in order to live a decent life.

In Canada, the federal government also increased the CO² tax, in order to equalise it between the provinces. The difference between the old tax and the new tax was distributed, with equal sums per head. So they do have a small basic income, which varies between the provinces (meaning that it's zero in the provinces that used to have the highest CO² tax). And there are no yellow vests. The Canadians have not decided to keep killing our planet in order to live a decent life. Let's do like them.

This serves as a very telling illustration to economists' calculations. They say that returning the tax back to the citizens maximises the fairness and political viability of the policy. It has to increase every year, as that is how we automatically transform our societies, and make sure that enough money gets invested in research for cleaner alternatives. Redistributing the tax is equalising, as poorer people on average pollute less than richer people. (Although they are polluting more "per coin".) Living in cities is the cleanest thing, as you can easily transport yourselves by walking, cycling, going by electric trains or buses, while you need a car in the countryside, and can't afford to electrify it. But yet, when we look at statistics, city people still emit more, simply by being richer.

So a redistributive carbon tax would be equalising. People in the countryside might need to change their lifestyle more, but they also get the highest income from this arrangement (in proportion to earlier income).

The couple fighting in the beginning of this story can simply buy the cheapest beans that they like the best, or meat, for that matter; as the carbon tax has to be applied to any large sources of pollution, of which meat is definitely one. The majority of people who simply don't care about comparing such details, can just move on with their lives as they always have. It's automatic.

Economists are often wrong. I'm an economist myself, and have discovered how the super-simple models in which humans are depicted as identical, rational beings, keep showing up even in texts by phd students. Often they are better than just guessing, of course, but there is nothing true about it (especially not when economists use simple models while calculating the costs of global warming). But when a large number of our most prominent economists agree, then that is exactly what we have to do.

Please read the statement at www.econstatement.org, signed by 3585 economists, including 28 Nobel laureates and 4 former chairs of the federal reserve. It's an American text, but it applies to every country. The EU should do like Canada, and start by equalising our own varying carbon taxes, and pay out the difference to the people, but the countries inside the union shouldn't wait for the EU to get going, as they are super slow. But we should introduce this in Iceland, Norway, Finland, Denmark and Sweden, right now. *(Ed. The next article argues that this would not be sustainable, but doing this could compel the EU to follow suit.)*

9.1. Land tax

The next important thing to talk about is property taxes. That's another area where economists from left to right agree: it's one of our most effective taxes. But they're also wildly unpopular, and hence have diminished to almost nothing, at least in Sweden, giving us a less efficient economy – making us poorer, in simple language. What to do with an economically efficient but unpopular tax? Divide it, equal per head.

Now, to get more detailed, there are also problems with the property tax: if you increase the size of your house, you get to tax more. But a lot of house improvements are necessary to simply give people a home, so house improvements or house construction should not be taxed (more than VAT, salaries and CO², of course). The least bad tax we have (in the words of Milton Friedman) is a tax on the land value alone – no matter what kinds of buildings are put on top of it. Therefore, having a large central garden gets very expensive. Which is good, as people like to live centrally. (Just check prices, and in Sweden, queuing times.) Such areas must get sold, and - because of the high tax - need to be developed into housing, to remove the time (and pollution) we all spend on transporting ourselves. And if we need it as a central park, then it can be a park owned by the government.

And for this to happen, to not have politicians getting elected by removing the tax, it needs to be divided by head. A person getting actual money every month – with a description where it came from – makes them happier than merely reading in a newspaper how healthcare is getting better because of various taxes, which is exactly how Canada is thinking.

Our population is increasing, we're getting immigrants (and will get more the more we destroy our planet) and our cities are getting larger. To see our future, we just have to look at the largest cities we already have, such as London. The rent for a tiny periphery apartment is extremely high, and still London has areas in Kensington and Chelsea that have so few inhabitants they seem like ghost towns, with remote and foreign owners. That's because it's being bought as an investment. We are investing away land that humans need in order to live close to each other, to their jobs, kindergartens etc. A land tax would make that impossible, and as the tax is very unpopular, it needs to be divided straight for the citizens.

9.2. Money creation

Speaking of using the property for anything else but to live in, we also have the problem that the property market is used to increase the money supply, which is why we have interest rates that are zero, and that have even been negative (which they aren't anymore, as that doesn't work, for reasons outside this text). In the last 12 months, living in a standard Stockholm apartment (price 400.000 euro) gives you 2500 euros per month on average, which is higher than the average Swedish net salary. This is because we have let private banks create more money, and thus are affecting their interest with the central banks' repo rates. It's a political construct that most politicians simply don't understand, but which is consistently indebting us at a much larger rate than our incomes are increasing. It is a recipe destined to fail all while creating an inequality that has nothing to do with proper reasons for inequality.

Instead, we should let our central banks keep our inflation at 2 %, by – when needed – the central bank creating money, and divide it between all of us. A third way for a basic income, that is. This has become especially relevant during the Covid crisis, during which many governments of the world have dispensed "helicopter money", like the USA, to give an example.

So, take back the money creation policies from the banks, and let bank loans be about banks lending out money that others have been saving, the way most people think that a bank works.

Now, I don't have the 28 Nobel Laureate Economists with me anymore, but a number of economists are identically critical of today's system, such as Mervyn King, Governor of the Bank of England 2003-13, Martin Wolf from Financial Times, etc.

But, please forget the last two sections. Let's go back to the recommendation from the 28 Nobel Laureates: increase the CO2 tax, with a certain percentage every year, until we have fixed our planet, and divide the money per head. *I see it as the only way for us to survive.* You have been elected to help us take care of this planet. So, please advise your friends in parliament to read this article. Please make this a reality. *Do your job.*

10. Basic Income as a Social Dividend

Erik Christensen, Denmark

Basic income (ordinarily called a citizens' salary in Denmark) is generally considered as a permanent tax-financed benefit forming part of the annual state budget. Another way to perceive a basic income is to see it as a social dividend paid through some independent, democratic state welfare fund. The welfare fund could be created through various tax sources - a land, wealth and inheritance tax as well as a tax on both CO² and financial transactions.

In the future, one could perceive a scenario where a basic income would gradually be introduced in the form of an income tax-financed citizen salary, which would progressively replace the existing income transfers. After that, a social dividend would be introduced paid from a welfare fund made up of other tax sources. The system should ensure that no one receiving an income transfer would be disadvantaged. In a longer term, the income tax-financed basic income could be replaced by the social dividend.

10.1. The history of the social dividend

The prominent American philosopher and author Thomas Paine (1739-1809) was one of the pioneers of the basic income idea. He believed that nature is the gift of God, which is why everybody has an equal right to the land. Therefore, the property owners had a moral obligation to ensure that the non-property owners have an equal right to the values of nature. This was to be achieved by allocating a share of the jointly created and inherited values through a share paid by the land rent. Thus, the idea of a social dividend for all citizens was introduced.

In the 1930s, the English economist Georg D.H. Cole (1889-1959), who was associated with Labour, proposed a social dividend as a permanent share of the collective heritage of production. Another English economist who in that same period put forward ideas of a social dividend was James Meade (1907-1995) who later became a Nobel laureate. He saw a social dividend as a key element in a solution to both the unemployment and poverty problems. Meade also discussed the possibility of a tax-financed basic income, but he believed that it was impossible to introduce a basic income solely through income tax, and suggested therefore that a social dividend should be tax-free.

The idea of dividends persisted in England when the English liberal economist and politician Lady Juliet Rhys-Williams in 1942 presented a plan for a social dividend as a counter proposal to the Beveridge Plan's idea of public insurance.

It is interesting that the idea of a social heritage, which should be paid on a permanent basis as a social dividend to all citizens in society, had already been put forward by the Danish author Johannes Hohlenberg in the 1930s in J.A.K.-Bladet.¹

In 1976, the Alaska Permanent Fund was established in Alaska, to which the interest on the income from the state's natural resources are allocated. In 1982, it became a real basic income fund, paying a social dividend to all Alaskan citizens each year of about \$ 2-3000 depending on the fund's earnings.

Recently, the Norwegian economist Karl Ove Moene and the Indian economist Debraj Ray presented a model for a social dividend. They envisage that 9-12% of the annual gross domestic product (GDP) should be set aside for a fund out of which all members of a society would receive an individual share (ownership). The state then undertakes to pay a basic income to all citizens out of this share. That will give all citizens a share in the benefits of the technological revolution of robots.²

The model can be introduced in all countries, rich and poor. One can start with a small share and then slowly phase out the existing support systems. The amount does not need to be indexed as it is a fixed share of the GDP. Ray and Moene say that their model does not change the existing tax system, but it will provide an incentive to create a better tax system.

Former Greek Finance Minister Yanis Varoufakis has proposed something similar to Moene and Ray for establishing a basic income system. His argument is that financing a basic income cannot be based on the taxation of earned income, but must instead be created on some form of right to a capital income. He envisages that a certain proportion of all newly offered shares should be included in a public fund, which will then permanently distribute a dividend (citizen's salary) to all citizens.³

The argument that one should avoid linking the financing of a basic income to the income tax is also advocated by the English labour market researcher and basic income theorist Guy Standing.⁴ He also proposes that, in the long-term, basic income should take the form of a social dividend distributed by a welfare fund based on the taxation of various interest-based incomes (capital and wealth tax, copyright taxes, natural resource and land tax, as well as tax on international currency transactions).

The English economist Stewart Lansley also espouses the idea of a dividend payment.

Together with Howard Reed he has presented a concrete proposal in the Labour-affiliated think tank Compas.⁵

10.2. How to Justify a Social Dividend?

How, then, morally justify allocating (tax) about 10% of the annual GDP to a fund? For many people, an essential criterion for assessing whether something is fair, is whether it is deserved. If you have created something through your work or knowledge, it is deserved and fair. If you get something you do not deserve, it means exploiting others, and is unfair. Of what is produced today, most people attribute it to the efforts and work of the people living today, although much of it is the fruit of the efforts of previous generations.

Modern society is an enormously productive societal system that has accumulated a large amount of physical and intellectual capital (extensive organizational know-how) that the previous generations have created. It is a social heritage that the current generation has inherited. Many economists believe that the main part of economic growth is not created by labour and capital, but by the technological legacy of previous generations. Thus, some estimate that we actually earn only one-fifth of our income. The rest can be seen as a collective legacy, which currently belongs to a small minority. People living today have not created and thus earned the entire society in which they live. Therefore, it is natural that part of this inheritance is paid out as a permanent unconditional basic income, as a community dividend.

What is the advantage of such a basic income model? It is a social dividend, a payment of a share of a collective inheritance, which is why, naturally, no work obligation can be attached to it. This evades the reciprocity argument ("something for something") and the logic of right and duty, which is traditionally associated with a basic income as a form of income transfer.

A society with a basic income designed as a social dividend will create a democratic civil society with equal opportunities for all. In a civil society, you regularly receive part of the collective heritage or a gift from previous generations ("something for nothing"). Only thereafter is the norm "something for something" a well-functioning and good societal norm.

10.3. Social dividend in the form of an EU dividend

If it will be possible, in not too far a future, to introduce a form of basic income in one or more Scandinavian countries, discrimination problems will arise in relation to other EU citizens. Therefore, a form of national basic income would not be sustainable in the long run. (*Ed. At least in its original form*). With the current rules for protecting migrant workers,

one could quickly be forced to give up on such a basic income and work for the introduction of some form of basic income throughout Europe.

Therefore, an alternative policy would be to work for a social union in the EU comprising a European basic income. It is inconceivable that a social union could be created in the EU by making one of the existing welfare models universally applicable in Europe. Therefore, it is more likely that one could slowly introduce a new social safety net with an unconditional basic income.

The Belgian philosopher and social scientist Philippe Van Parijs⁶ has proposed the introduction of an unconditional basic income, which he calls a euro dividend of approx. 200 euros per month for all EU citizens. It could be financed through an EU-harmonized value added tax, VAT (EU VAT), of around 20%, which would be close to 10% of the EU GDP. The result would be the creation of a universal floor for all, a safety net spread across Europe. Van Parijs envisages that, in the beginning, it may vary between countries according to the cost of living.

It would primarily be financed through a value added tax (VAT). This could be done by transferring a small percentage of each country's VAT e.g. (0.3%) to the EU to form the basis for such a euro dividend. It will then work in such a way that this new euro dividend would replace an existing transfer / tax rebate that exists in the various countries.

This would create a common, uniform minimum income, which could then easily be expanded to quickly grow high enough to become a basic income - high enough to prevent poverty, and at the same time allow for active participation in society.

A euro dividend has many benefits. It would be a significant solidary stabilising mechanism for the entire EU zone. It is a simple, transparent and unbureaucratic transfer mechanism (as opposed to the agricultural schemes), and it would mean that all citizens will have a direct relationship with and interest in the EU as an institution. An EU dividend could also be a form of population stabiliser, avoiding excessive migration of labour between the poorer and more prosperous parts of Europe.

The main advantage of the EU dividend is that it can be a catalyst for European citizenship. It would in a very concrete way help boost an identification with the EU and thus the legitimacy of the EU institutions, which the ordinary technocratic fiscal policy instruments are not able to do.

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