

**The unconditional basic income – from an industrial to a culture-based society –
G. W. Werner/L.P. Häussner**

*“To take what's made and then re-make it,
So that it never rigidifies,
Eternal living action works.
And what never was must become...”*
J. W. v. Goethe (from: One and All)

Our social awareness is lagging a long way behind the possibilities opened up by the worldwide division of labour and the resulting rise in productivity.

In a globalised economy in which we benefit from everyone's initiative and work, a tax system that becomes involved in the process of creating added value and thus acts as a curb on initiative is anachronistic. A consumption tax (in the form of VAT), leaves the work contributed by an individual untaxed and is in keeping with the times as far as the global division of labour is concerned. The gradual conversion of the system to one in which only consumption is taxed can be carried out all the more easily as prices now already contain all taxes imposed.

The question is whether a consumption tax system can provide for a tax-free minimum subsistence income, which we refer to as a “basic income”. A basic income is in keeping with our times because, in the added value creation process based on a division of labour, we are standardising more and more individual operations by harnessing the *organising activities of the human brain* and are having these operations carried out more productively through improved working methods and machines. As a consequence of the international division of labour, workers are earning less and less from gainful employment (working poor) and people are increasingly obtaining income in the form of capital gains without any work being involved.

The dictum that technological progress and productivity increases create and destroy jobs in equal measure no longer applies today, and large sections of the population will become poor if we do not put earned incomes, which are diminishing because less and less labour is required to produce goods, on a new footing. As Goethe put it in *Faust*, “We are starving in abundance”.

If we had an unconditional basic income as a subsistence allowance, many of today's regulatory measures that link work to income would no longer be necessary. Moreover, this basic income would eliminate the commodity character of human productivity. The higher the “labour costs” in Germany are, the greater the pressure is on companies to move their production abroad. In fact, the reason why labour costs are so high is that we link many social tasks, such as social security in childhood and old age or in cases of sickness, to paid work, the amount of which is constantly declining. An unconditional basic income, which could initially be at the level of unemployment benefit and then gradually rise, would result in people no longer having to rely on earned income. Depending on the competition they face, companies would be able to reduce gross

wages and salaries by the same amount as the basic income (the “substitutive” aspect). Companies competing with others would then lower their gross prices as a result. If the rate of VAT remained unchanged, prices would fall, while a gradual rise in the consumption tax could be used to raise the basic income.

Diminishing “labour costs” would make companies more willing to recruit production staff. If people no longer have to rely on their earned income alone, they are more likely to be prepared to work less or do different work: a basic income would enable them to make full use of their skills in the context of family work, bringing up children, education, the provision of care, and employment in the fields of science and art – ie, cultural work in the broadest sense.

In a society with a basic income, young couples could once again afford to start a family and organise their family work and gainful employment according to the situation concerned, since the basic income is both an implicit parent benefit and a child allowance. There would be greater personal freedom and the *subsidiarity principle* would apply to individuals and provide them with the freedom that is a precondition for civic commitment.

Owing to its greatly increased importance, the economy is threatening to dominate other areas of life, such as politics and culture. Is it not the case, however, that the *immaterial basis* of our productive economy is constantly renewed as a result of our rich cultural life (research, science, education, sport, art and religion)?

From our social-organic point of view, the economy – the *production pole* – can be set against cultural activities – the *consumption pole*. We express this economy-culture polarity as follows.

Developing cultural skills and exploiting economic values
Exploiting economic skills and shaping economic values

The productive development of the human potential – ie, the individual as a *creature with skills* – and human requirements with regard to food, clothing, housing, education, etc – ie the individual as a *creature with needs* – should be seen as two sides of the same coin, with *production* as one pole and *consumption* as its counter-pole. Economic activity does not come about until the work required is duly organised, and all goods and services produced are, when they are consumed, ultimately turned into income, which is either earned income or transfer income for “pure consumers” – children, people in need of care, the sick and the elderly, as well as all individuals working as providers of personal social services. The group of “pure consumers” also includes teachers, scientists, clerics, artists, civil servants and politicians.

These people need a basic income, so it is the state’s task to create the basic statutory conditions for them to be given the right to one. This will enable economic and cultural activities, which are the two parts of a counter-circular process, to take place on an ongoing basis and at the same pace as one another in the future. The basic income would provide a financial foundation for these areas of society.

A tax system based on consumption would skim off part of GDP to pay the unconditional basic income, with which social and cultural activities would be indirectly funded. It would

make our rigid industrial society flexible and help to bring about a change in the service and information society and, ultimately, the culture-based society.

The industrial welfare state has now had its day, and a law-based state that regulates its affairs properly has the task of making both *self-determination* and *social justice* possible in accordance with the subsidiarity principle. A basic income based on a consumption tax is the foundation on which to build our future, both as individuals and as a society.

For further information visit: www.unterschied-zukunft.de

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