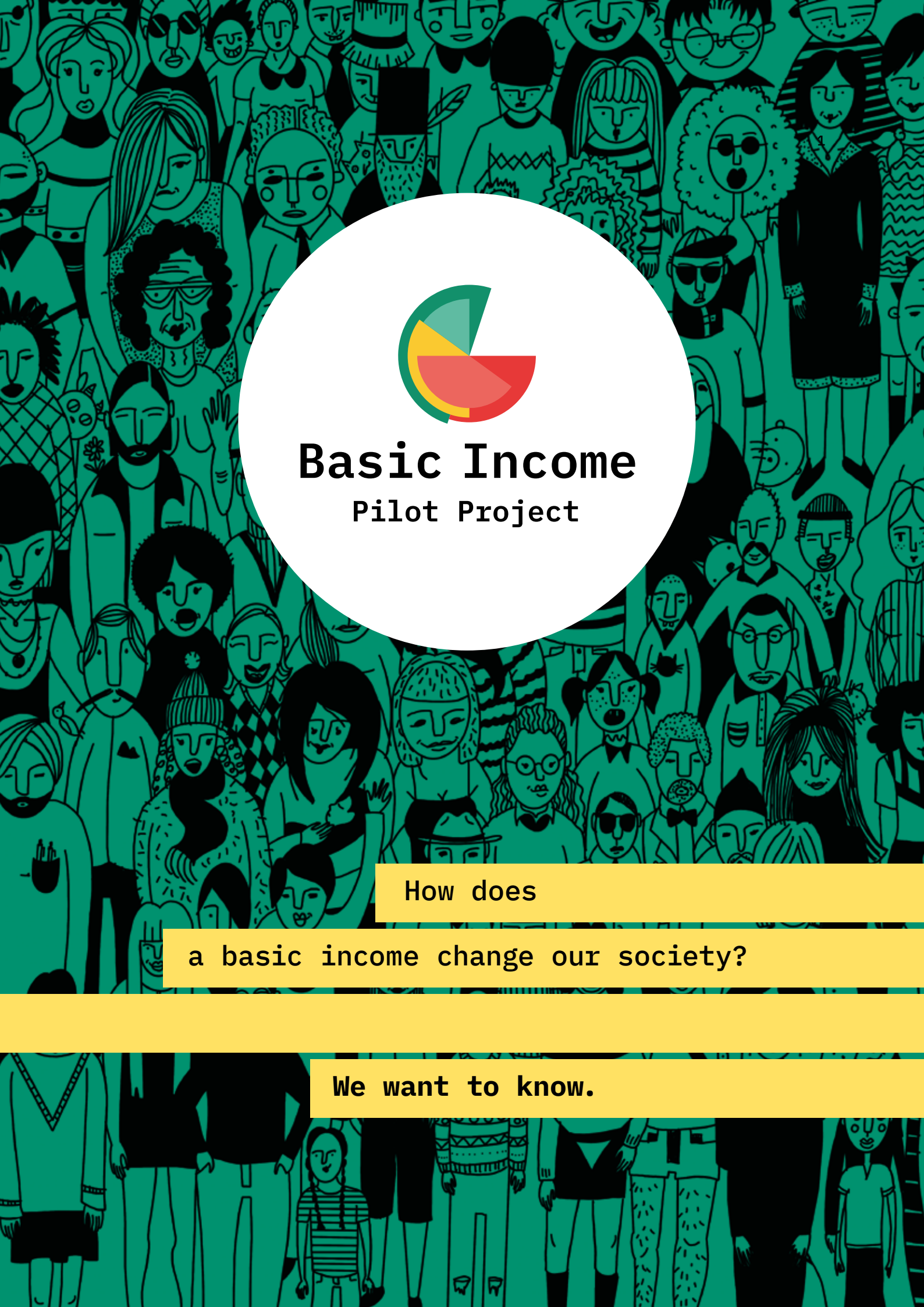


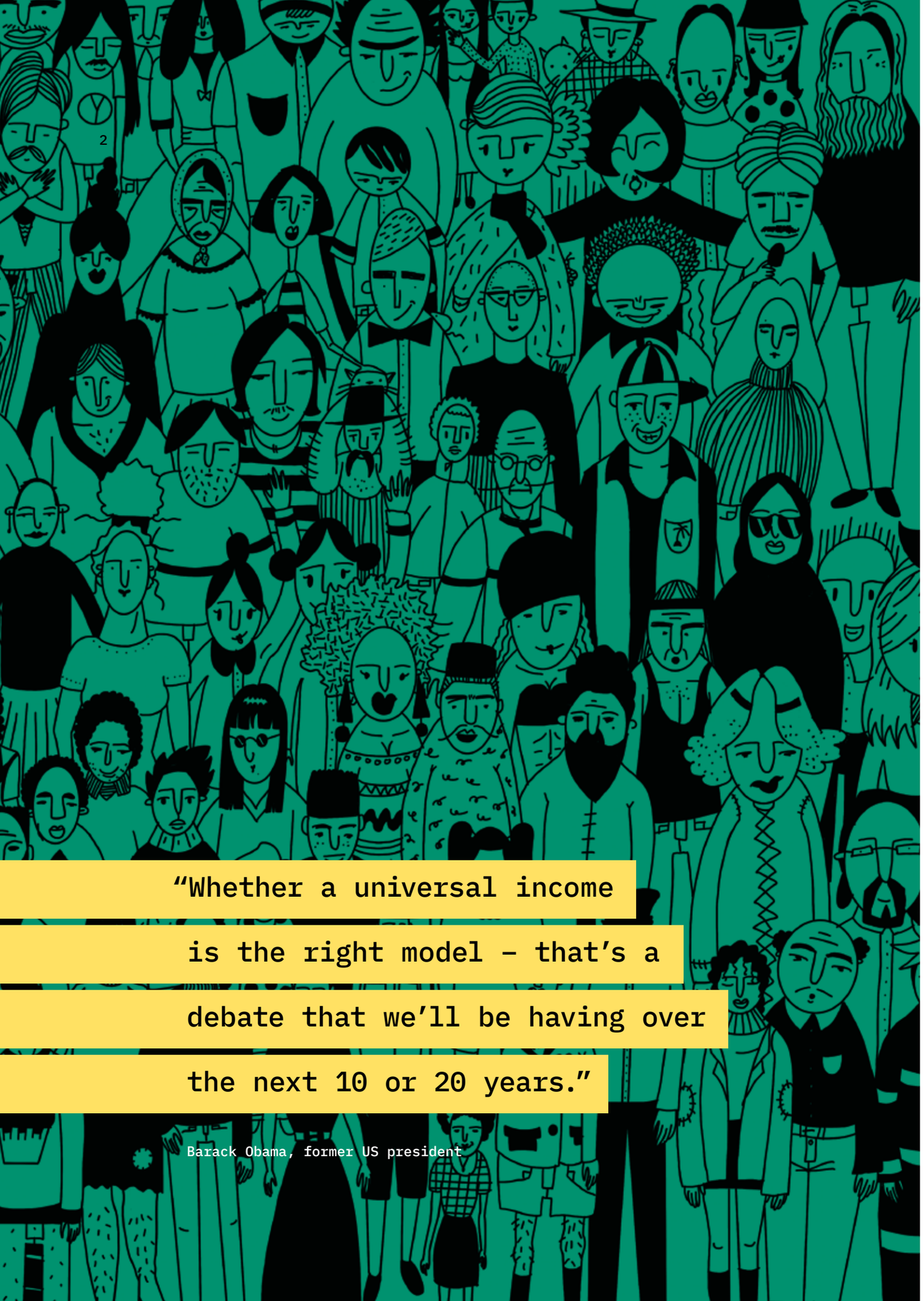
Basic Income

Pilot Project

How does

a basic income change our society?

We want to know.



“Whether a universal income is the right model – that’s a debate that we’ll be having over the next 10 or 20 years.”

Barack Obama, former US president

From testing ...

Basic income is the ideal topic for light-hearted, endless conversations in which the very concept of humankind is debated around the dinner table with friends: Are humans good or bad? Do we need to motivate people to work or can they achieve things on their own? Will basic income result in the salvation or the downfall of civilisation? Answering these questions has long been a question of faith. However, we have no time for theoretical discussions, as the world has urgent practical problems which desperately require new solutions rather than just simple slogans.

That is why six years ago we turned the supposed utopian dream of “unconditional basic income” into reality. Since then, we have collected over eight million euros in donations and given them away as an unconditional one-year basic income of 1,000 euros per month to more than 650 randomly selected people.

Then the recipients told us what had happened to them during and after this period in their lives. We discovered to our surprise: Basic income works quite differently in practice than how it is often discussed with friends over dinner. Only a few changed jobs, nobody became lazy. On the contrary: People blossomed, lived healthier and more social lives, made bolder decisions, educated themselves and founded companies – even among those who already had enough money to live comfortably. Our association “Mein Grundeinkommen” works like a modern start-up: We build prototypes, test them in the field, measure their impact, learn from them and then build a larger prototype. We repeat this until we know whether basic income works or not. So far we can say: Basic income works on a small scale. Naturally, however, our one-year trial is only of limited value and the experiences of the recipients are not fully scientifically recorded.

... to studying.

For the next prototype we need an outside perspective. We wish to ensure that we do not succumb to any bubble effect or organisational blindness. We want to know whether it is worth investing even more time and energy into this idea. We therefore turned to the German Institute for Economic Research (DIW Berlin) and asked them to examine basic income.

The scientists will carry out their research independently and without receiving any payment from us. Our contribution is to bring the questions and findings to the general public.

We love discussions. However, we are too impatient for debates that revolve around unfounded beliefs. We are on a journey of discovery and would like to invite everyone to join us.

As an association we see ourselves primarily as mediators in this project. While political parties are still hesitant about basic income, society has long been making it a reality: This research project is paid for and made possible by around 140,000 private individuals, whose monthly donations go directly to the participants. They are the sponsors of this – quite literally – study of society.

In joyful anticipation

The 34-member team of
Mein Grundeinkommen e. V. (non-profit)

Now let’s get on with it and devote ourselves to gaining knowledge. Professor Schupp, may we?

“This is a huge opportunity!”

“This is a huge opportunity!” – that was my first thought when we were asked if we wanted to offer scientific support to the basic income pilot project. At last, we can bring the debate out of people’s living rooms and into a social reality where we can test it with empirical social research. For this project we are leaving the scientific ivory tower behind and are in the middle of a socially relevant debate about our social security system in Germany. I am firmly convinced that this debate will continue to increase in the coming years.

The findings of the experiments around the world, although scientifically supported, are not very useful for the current debate. A recently published meta-study shows that a number of experiments in OECD countries were prematurely terminated or date back to the middle of the last century and do not reflect the degree of globalisation and digitalisation we are facing today. The Finnish experiment, which was completed the year before last, does provide valuable insights but only into the effects on unemployed people. Against this backdrop, we are really breaking new scientific ground in Germany with this pilot project.

We want to find out whether an unconditional monthly payment of a sum of money leads to statistically significant changes in behaviour and feelings. To do this, we will record the stages in the lives of the people receiving the basic income of 1,200 euros per month during the observation period. Are changes in behaviour really attributable to basic income? To test this, we have a comparison group that act as “statistical twins”, so to speak, similar to what is used in drug research. Both groups are very, very similar and ideally differ only in terms of the question: Basic income or not?

It is important that we conduct the initial survey of the 120 participants of the study before the sample is drawn – i.e. before the basic income recipients are selected at random.

The study is no commissioned research, but follows on from research that DIW Berlin has been conducting for many decades. We know from our analyses that above all young, highly educated people in Germany who are threatened by poverty support the idea of unconditional basic income. Since the summer of 2016, when a referendum was held in Switzerland, there has also been a broad social debate in Germany. It, therefore, seems justified to me to carry out such an elaborate field study, which is financed by donations from private individuals.

Here we have the chance to really check whether people conform to the stereotype of “homo economicus” and if they only act when they receive incentives and rewards for doing so. We already know from experimental economics that our social behaviour also depends on justice, fairness or equality. However, despite the great expectations: The field experiment will by no means answer all of the unanswered questions. But it will answer a few.

Prof. Dr. Jürgen Schupp
German Institute for
Economic Research

Foto: Benjamin Gross

Three types of basic income.

The fundamental research in three studies.

An unconditional basic income for all is only feasible if it

- **creates positive individual and collective effects,**
- **is financially viable, and**
- **does not unduly reduce the incentive to paid employment.**

To test these three conditions, the Basic Income Pilot Project consists of three studies with different structures and compares the impact it has on the recipients and the costs to the general public.

At the end of the three studies, conclusions can be drawn as to whether basic income produces any effects and whether these effects are caused by the additional money or by increased psychological security.

1

Study 1: Basic income on top of your monthly income

2021–2024

1,500 participants, 120 of whom receive 1,200 euros per month for 3 years in addition to their income.

Question: What would be the maximum benefit of an idealised basic income without a financing model?

Studies 2 and 3 will only be carried out if study 1 shows that basic income produces clear effects.

2

Study 2: Minimum income

Planned launch 2022

The income of participants that is less than 1,200 Euros is topped up to 1,200 Euros.

Question: Are the effects of Study 1 still as strong, if instead of “more money” there is only “more security” – at significantly lower costs for the general public?

3

Study 3: Unconditional basic income with simulated taxation

Planned launch 2023

All participants receive 1,200 euros, which is offset against a simulated tax of 50 percent on all other income. The difference is paid out.

All aboard!

The basic income pilot project is looking for participants for study 1. Anyone who is 18 years or older and resident in Germany can apply.

- A total of 1,500 participants are selected, 120 of whom receive 1,200 euros per month as an unconditional basic income, the remaining 1,380 are placed in the comparison group.
- The study will run for 3 years, during which time the participants will fill in 7 online questionnaires.

1.

Station: Application

The application phase will end as soon as 1 million people have registered or by 10 November 2020 at the latest.

2.

Station: Narrower selection

Depending on the data available, a group is selected from among the participants that is best suited to address the research questions. From it, 20,000 people are randomly selected for the first questionnaire, the baseline survey. Duration: approximately 2 months.

3.

Station: Selection of the participants

The data from the baseline survey will be compared with data from the Federal Statistical Office in order to assess the degree of generalisability. At random, 120 people are selected for the basic income group and the 1,380 people for the comparison group. Duration: 2–3 months

4.

Station: Survey

Payment will start in spring 2021. During the 3-year period, the participants receive an online questionnaire every 6 months, which takes about 25 minutes to complete. Some of the participants will also be interviewed in depth and hair samples will be evaluated.

APPLY NOW
pilotprojekt-grundeinkommen.de/bewerben

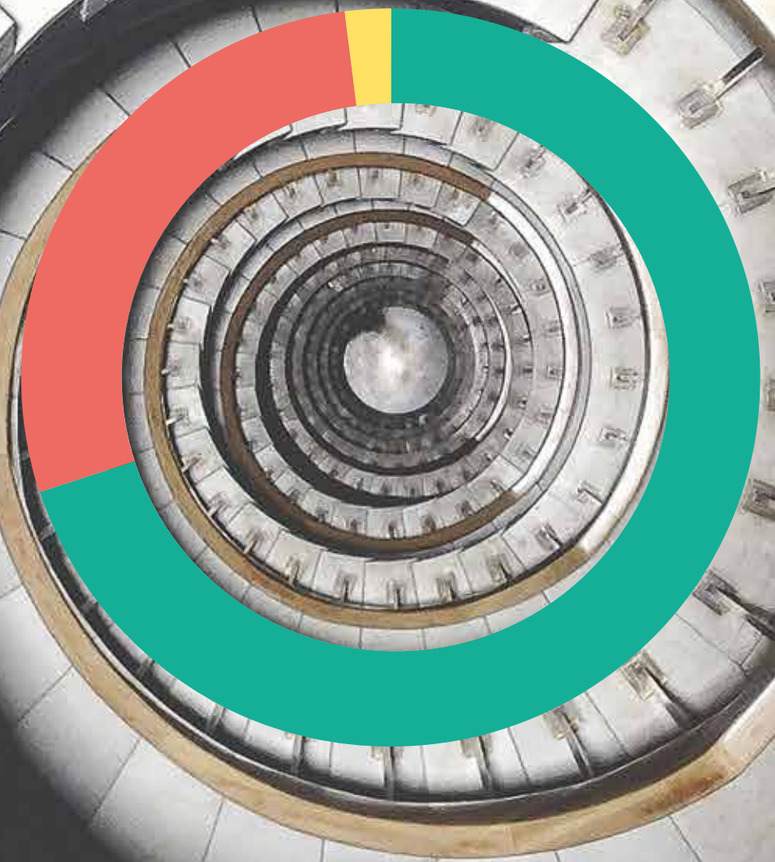
It’s about the big picture.

There is no backing out.

The pressure is on. The universal expectation of always having to perform is pushing so many people to their limits that the term “burnout” has already made it onto the Word of the Year shortlist for 2011. It wasn’t however the winner, the award went to: Stress test. A decade later there is no relief in sight. On the contrary: The boundaries between work and private life are becoming increasingly blurred. Having a phone in your pocket makes work a constant companion.

The vast majority of employees can also be reached by their employers during summer holidays.

Source: Bitkom, 2019



70 % can be reached

28 % cannot be reached

2 % no response

Will stress turn into self-efficiacy?

One out of two Germans is at risk of burnout. Rich or poor: For many people, thereis a subtle existential fear that fuels the feeling that they are “not enough.” This concern often becomes a self-fulfilling prophecy. **Can basic income break this vicious circle? Does satisfaction with life and health increase when the fear of survival disappears? Does this sense of security give rise to new growth?**

Necessity is the mother of invention. But perhaps people are more inventive without it?

Psychologist **Prof. Dr. Jens Nachtwei** explains what feelings of scarcity, stress and insecurity mean for people – and whether basic income can really help change this.

When people talk about basic income, it’s usually all about money. You would also like to pay more attention to the psychological effects. Why?

Jens Nachtwei: This obsession with financial matters really bothers me. Of course, with UBI we always talk about the world of work and therefore about business and ultimately about money. However, at its core, it is a fundamental change that radiates from the workplace to life as a whole. Besides potentially less stress, more time with family and friends, more involvement in all aspects of society, questions of social isolation and of purpose can also arise. Unfortunately, psychology has not yet warmed up to the subject of UBI; this makes it all the more attractive as it is a subject that still holds many surprises.

Germany is a prosperous country with good social security systems. So why do so many people still leave the workforce due to overwork, mental illness and burnout?

Jens Nachtwei: We still find ourselves in a society in which performance and self-improvement are important criteria. Through social media we are constantly confronted with the achievements and progress of those around us. Of course, most people know that the pictures they see of colleagues etc. on LinkedIn, XING, Facebook etc. are distorted images and that hardly anyone posts the fears, worries and stress that keeps him or her up at night. If you also feel uncomfortable at work, perhaps because you don’t like it very much or are having difficulty proving yourself and don’t get any support from the managers, then this is a fairly dangerous mixture.

What role does money or lack thereof play in mental health?

Jens Nachtwei: The feeling of not being good enough can have very extensive and serious consequences. Research has shown that there are not only emotional but also cognitive consequences. Prolonged feeling of being overburdened can also lead to a decline in the ability to concentrate on the many aspects of life. People who are poor sometimes make poorer choices because they lack the capacity for deeper reflection due to permanent worries and uncertainties. However, the feeling of scarcity is not only present in money. Some people do not even know why they should bother doing anything at all. It seems pointless

Prof. Dr. Jens Nachtwei conducts research as a psychologist at the HU Berlin, teaches at the University of Applied Management (HAM) and heads the university spin-off IQP.

to them. They lack purpose. Large corporations cannot offer an alternative sense of purpose if it is not credibly conveyed by the managers.

This potentially leads to frustration, underperformance, increased job switching or even days off work. This has a knock-on effect in peoples private lives too, as we are not very good at separating our professional and private lives.

We live in one of the richest and most affluent societies in the world. Isn't it a bit odd to discuss shortage here when there is more than enough?

Jens Nachtwei: Deficiency is a relative quantity. The benchmark for which is on our own doorstep, not on another continent. If I have a job in Germany with little money and little time for my family, I wouldn't usually compare myself with people in India or Bolivia. Instead, it's more likely to be with those who I went to school with, my next-door neighbours or those I see in my Facebook feed every day. Scarcity is therefore a subjective variable and can therefore also be felt by the wealthy.

What causes us stress and why is it so bad?
Jens Nachtwei: The same applies for everyone: If I cannot make independent decisions about my life, I will experience stress. This applies to young children, pensioners and especially to working people. If I cannot assess or influence what happens to me now or in the future, it is an enormous source of stress. If I perceive this state as unchangeable and uncontrollable and have no social support, things can get very bad. In the worst cases, stress at high levels lasts for a long time, which can pose a real threat to mental and physical health.

What are the prerequisites for dealing with stress effectively? What makes us resilient against it?

Jens Nachtwei: We were just talking about what makes stress so bad. If we reverse this, the question can be answered quite easily: Degrees of freedom, controllability, emotional stability and social support are safeguards that are repeatedly found in research and practice.

Would basic income help to build these resources?

Jens Nachtwei: Of course, nobody really knows that at the moment. We have no reliable empirical data on this. However, it can at least be assumed that poverty and its consequences would be mitigated. However, basic income alone is not enough. Politics, the education system and socially relevant institutions must also send out appropriate signals. If we pay everyone a thousand euros a month unconditionally and do not change anything else, I fear that we would quickly settle back into our old ways. Pressure to perform, bad working conditions, bad management, consumerism and other superficial aspects of our society would not be automatically removed.

Could the unconditionality of UBI build emotional resources and make us more resistant to stress?

Jens Nachtwei: It is a sign of trust, albeit a very abstract one. It's not like with a wage increase, for example, where a superior puts their trust in me, but rather a sign of trust from society itself. And that is not so easy to imagine. Take the current debates around the pandemic. Trusting the economic system or trusting that everyone has installed the Corona app and is wearing a mask – it's all on a very abstract level. If trust can be created thanks to UBI, this could have an emotionally positive effect on the individual, but I find it difficult to judge how strong and lasting the effect would be. Perhaps psychology and sociology should dare to join forces and think the question through together.

Could it be that unconditionality is more important than money when it comes to basic income?

Jens Nachtwei: In affluent societies, I would say that is the case. As the sanctions under Hartz IV are actually the biggest problem. They are basically based on the belief that a benefit recipient in need can only be trusted to a limited extent and that he or she doesn't know what's best from them. Unconditionality is not merely a method of payment – behind it, there is an opposite view of humanity to the one just outlined.

In the Southern hemisphere, on the other hand, money in itself could be much more important as a means of poverty reduction than the mode of distribution.

If I am shown a fundamental level of trust, does this change my ability to trust others?

Jens Nachtwei: There is the concept of so-called social contagion. And this applies in both a positive and negative sense. We are basically social animals and are strongly oriented towards others; most likely those who are close to us or similar to us. Most people are very receptive to signals like trust and mistrust and most prefer trust. At the same time, however, it is also apparent that people often trust themselves more than others. When asked if they would still go to work instead of "sitting on the couch" if they were to receive UBI, most people answered positively. However, most people responded negatively when asked what they thought other people would in the same situation. However, at the core there is a chance of a positive spiral if the environment expresses confidence.

"Poor people make poor choices."

Would basic income become habit-forming after a while and would the State have to pay out increasing amounts of money in order to achieve a psychological effect?

Jens Nachtwei: I'm sure there will be. Humans are "cognitive sloths" – it is more convenient to get used to things than to always be on the alert and remain in a state of anxiety. In this respect, almost everything results in this habituation effect. Research into the well-being and happiness of both lottery winners and seriously injured people shows this, and UBI certainly will. However, it could still have a psychological effect, provided that it is possible to establish UBI as a component of a broad social reorganisation, including changes to the education system and reorganisation of corporate structures, etc. Then a new, positive image of what it means to be human could be formed and ideally one could and should get used to this. ●

Worldwide pilot projects: Canada

How the researcher Evelyn Forget found evidence in the archives: Money makes you healthy.

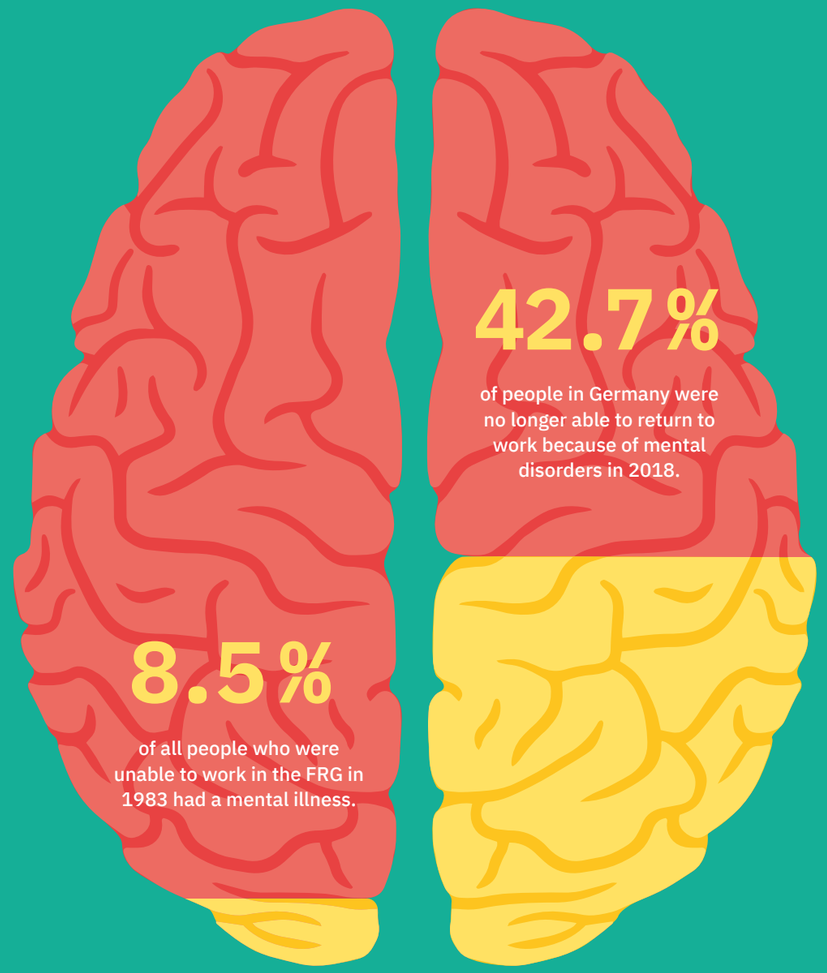
What happens if all adult citizens who do not earn enough or nothing at all receive a minimum annual income? Canada conducted such an experiment from 1974 to 1979 in Dauphin and Winnipeg in the province of Manitoba. A total of 1,000 families whose incomes were below the poverty line claimed the support and collected their monthly checks without having to account for what they spent the money on. The “Mincome” project had a budget of 17 million Canadian dollars, and scientists kept meticulous records of its progress.

The data was not evaluated until decades later by a professor in the Faculty of Medicine at the University of Manitoba: Evelyn Forget’s area of expertise is healthcare costs. In 2011 she published her study “The Town With No Poverty.”

What she found out was groundbreaking: At the time of Mincome, hospital stays in Dauphin fell by 8.5 percent. There were fewer admissions for mental disorders, family violence, car accidents and accidents at work. Researcher Forget suspects that people on minimum incomes feel less compelled to do dangerous work when they are tired or unwell because they are less dependent on the money. Less stress and less pressure therefore led to a demonstrable increase in the sense of well-being. There was something else that Forget concluded: If poverty is alleviated, the costs of health care will fall so significantly that a guaranteed minimum income results in money being saved.

“In the beginning I was a clear opponent of unconditional basic income. But I can see now that we need to try something new. We know that incentives work much better than restrictions. This is why I like the concept of humanity that is behind Unconditional Basic Income – we should definitely explore it further.”

Prof. Marcel Fratzscher, Ph. D. President of the German Institute for Economic Research (DIW Berlin)



Pretty disturbing.

Mental illness has an enormous impact on our economy. The dramatic increase is probably due to the fact that in the past, it was often not the mental illnesses that were diagnosed, but only the later physical consequences, such as cardiovascular diseases, stomach ulcers or migraines. Mental illness can therefore precede this. The main trigger: Stress.

According to the monitor of the initiative “Mental Health in the World of Work”, for example, deadline pressure, emotionally demanding work, the lack of compatibility between work and family life or concern about one’s own workplace lead to poorer mental health. On the other hand, those who are able to develop their careers with self-determination, work to their own rhythms and who have the right to say “no” are even more committed to their work.

Source: Pensions due to reduced earning capacity according to selected basic diagnostic groups from “Rentenversicherung in Zeitreihen”, Deutsche Rentenversicherung, 2019

Money is not an issue.

Michael Bohmeyer made a surprising observation after his association “Mein Grundeinkommen”paid more than 650 people a guaranteed income for one year: The fact that the payment is unconditional seems to be more important than the amount of money itself. He believes that this is the decisive factor in solving the world’s major crises.

Never before has the world faced so many major challenges at once: Digitalisation is changing our way of doing business as fundamentally as industrialisation has done in the past, but at a faster pace. It calls into question our social systems and the overall benefit for humanity. The Internet makes old rifts in society visible and also creates new ones. Although we are more connected than ever, we are increasingly lacking a common language. This is the breeding ground for populist movements. As if that were not enough, one question hovers over everything: Will we even be able to survive in an environment that we have destroyed?

The problems of the future seem overwhelming.

More and more people feel powerless as a result of the complexity of the world. Psychologists speak of “learned helplessness”: The conviction of no longer having control over ones own life. A loss of control for which one feels responsible. This helplessness leads to depression – a disease whose incidence is constantly rising in affluent societies.

Right now we need a clear head to get to the root of this major crisis. Although humanity has never had so much access to resources and shared knowledge, we are sinking into a collective depression. Why?

To understand this, you have to look at how stress works – for the individual and for society. The complex, accelerated and crisis-ridden world puts us in a state of constant stress. Although we live in a prosperous country, we are running in a sort of survival mode: Will I still be able to live the way I want tomorrow? Will I be able to work, go on holiday, shop, drive a car, have children as I have been used to? And do I still have any say in the answers to these questions? While short-term stress helps to ward off dangerous situations and achieve top performance, long-term stress limits our abilities. After all, decisions that we make under stress only deal with short-term problems. They do not fundamentally answer our fears: I’m going to try harder and harder to keep my job. In order to cope, I go on exotic holidays, ignore or deny social problems, reward myself with expensive luxury items and treat myself to lavish parties. However, these compensating, fleeing or defensive tactics do not change the fundamental fear of no longer being able to shape our lives, but on the contrary: they only deepen our dependence on the fact that things will continue as before and with it the stress we perceive. How do you break this vicious circle? Should the fears of redundancy and unemployment be alleviated by putting together rescue packages for ailing banks and industrial companies? Should one curb frustration by morally condemning it? Policy measures are almost always about mitigating responses to stress through sanctions, bans and incentives rather than reducing stress itself. However, because the underlying causes – the conscious and unconscious existential fear – do not change, new and more and more harmful compensatory behaviours develop.

We therefore need a completely new political strategy. We must get to the root cause and break the cycle of stress.

This is where our attempt to provide basic income over the last six years has brought some hope. Over 650 people received unconditional basic income for one year. Among them were people from all walks of life, from the homeless to the heirs of millions, from conservative to left-wing voters and from schoolchildren to pensioners. Over and over they all reported a similar experience: The promise of security provided by basic income provides them with a sense of renewed energy.

Although the recipients often increased their work, learning or commitments, the stress they felt decreased. It was replaced by a sense of self-efficacy, i.e. the belief that one can influence and help shape life itself. With the unconditional trust placed in basic income, people had the opportunity to take a closer look at and reflect on their existential fears. Do I really want to work that much in this job? What is behind the need for a luxury item or long-distance holiday? What do I really want? They dared to steer their lives creatively and courageously – which in turn gave rise to new confidence. The recipients also described this feeling as a cycle, but as a positive one that lasted for years after receiving basic income.

The decisive factor is the ability to make your own decisions.

Money seems to be a secondary consideration. Often the recipients did not spend it at all or only partially. It was the unconditional payments that led to the change. It was perceived as a leap of faith, as a transfer of responsibility. If an anonymous group pays me money every month without asking for anything in return, then the ball is in my court, and I want to do something useful with it. After six years and hundreds of stories we can conclude: People were very good at dealing with this responsibility. They matured and became more resilient.

It is precisely these mature, independent, empathetic, self-confident and responsible people that we need in order to solve the world’s major crises. Since conditions determine behaviour, it is up to politicians to create conditions which increase the probability that everyone can develop in this way. We simply need to clear our heads in order to counter digitalisation, the climate crisis and populism.

Michael Bohmeyer founder of Mein Grundeinkommen e. V.
Photo: Fabian Melber

Could basic income ensure that people become more resilient and in turn create a more resilient society? Could it be the self-help tool with which we can solve the great challenges of humanity? We don’t know, but we want to at least try. ●

A survey among the winners of “Mein Grundeinkommen” revealed:

The figures come from an online self-assessment among the winners of “Mein Grundeinkommen”, which 48 people filled in. This is not a representative or broadly applicable survey, as the association has so far limited itself to qualitative research through interviews.

Tell me your troubles.

We live in a cycle of stress.

Climate change, digitalisation and populism are increasing this stress.
Can the security provided by basic income break this cycle and thus lead to better decisions, more (self-)confidence and more self-efficacy?

“When I come home from work, I have to sleep immediately to get back on my feet.”

Kathrin received basic income from May 2019 to April 2020. For her, the benefits were not only the long-awaited treatment of her Lyme disease, but also the confidence to be able to take her life and career back into her own hands.

Kathrin took part in the “Mein Grundeinkommen” draw and won

I have been working for 14 years as a social worker in a nursing home, which I actually enjoy, especially when get to spend time with the elderly. Unfortunately, 80% of my work consists of creating files. Sitting in front of the computer for so long causes me great physical discomfort. For three years I have known that I have active chronic Lyme disease. At times I have severe muscle pain and am exhausted. When I come home from work, I have to sleep immediately to get back on my feet. In my free time I can therefore only do very carefully selected activities. I would like to play badminton in the garden or go canoeing more, but I can’t. When I am in pain, I am impatient and have difficulty empathising with other people. There is no scientifically recognised therapy for chronic Lyme disease and there are few doctors who actually treat it. An alternative treatment of infusions and herbal antibiotics is very cost-intensive and is not covered in any way by my health insurance. With my current income it would have taken me three years to get the treatment.

Thanks to the basic income, I can complete the treatment in half the time. Last summer I got the first infusions. If the treatment is successful, it will change my whole life. I would like to change my work-life balance so that I can spend the next few years having more contact with people again. Both professionally and privately. There has already been one initial success: My tinnitus, which has accompanied and burdened me for years, has disappeared thanks to the treatment. Furthermore, in autumn I will start additional training to become a daily companion for care home residents. Instead of sitting at a desk, I can go for a walk with the people in our nursing home, bake, sing, read to them, listen to them and thus ease the burden of old age. Knowing that the financial support I receive is unconditional has made me much more confident, free and thankful to be alive. I can do things I’ve only dreamed of doing.

What is a burnout?

Hardly any other term represents the present so symbolically as “being burnt out.”

According to surveys, about one third of the working population feels chronically overwhelmed, frustrated or overburdened. Contrary to what is often assumed, a burnout does not describe a specific mental illness, but a condition: simply not being able to cope, not being good enough, failing. The term “burnout” was coined by the psychoanalyst Herbert J. Freudenberger, who diagnosed himself with the condition. A Jew who fled Germany, he opened his own practice in New York in the 1950s and devoted a great deal of time and effort to his work. He fell into a state of “total mental and physical exhaustion” and wrote his first publication on the subject, entitled “Staff Burn-Out.”

In the decades that followed, the term became increasingly popular. People who were complaining of being exhausted and burned out were not just appearing in social service sectors, but everywhere else. According to the philosopher Byung-Chul Han, however, the “Burnout Society” is not only the product of external pressures, but also of self-exploitation. To mitigate them, we have to do more than tinker with the external structures of the workplace. To counteract the fear of failure, the inner structures of workers must be changed to remove the stress of always needing to work.

Digital roller coaster.

We are in the midst of the greatest transformation of work since the Industrial Revolution. In the dawning digital age, it is not only how work is done that is changing, but also by whom. And that means increasingly fewer humans. According to the visionary David Graeber, socially useful work is being automated, computerised and rationalised away. Secure jobs, secure income and secure careers give way to socially meaningless work that Graeber calls “bullshit” jobs.

But if we work less and less, what do we do for a living and what keeps our meritocratic societies together?

From 1979 to 2018, productivity grew 5 times faster than pay.

Source: Economic Policy Institute

Productivity:

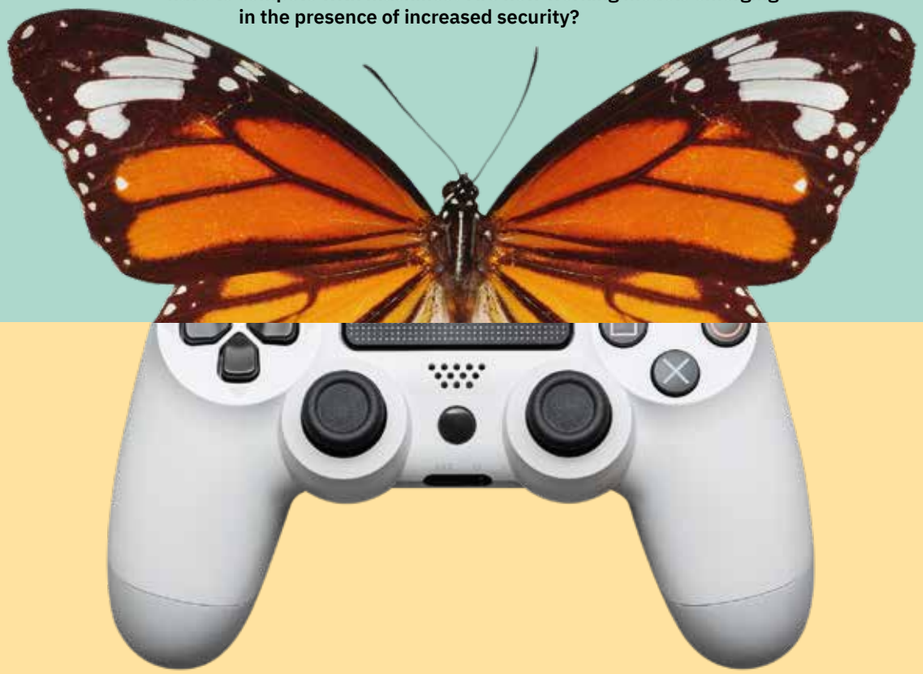
+69.6%

Hourly wages:

+14.8%

Will concern turn into opportunity? We want to know.

We are undergoing the greatest transformation of the economic system since the Industrial Revolution. When machines take over not just manual but also cognitive tasks, the question arises: What will humans do then? In the digital age we need to develop new skills in order to avoid entering into a hopeless competition with machines. **How can this rapid re-learning be successful without society breaking down in the process? Can basic income smooth and accelerate the transformation? What will people do, if they no longer have to compete with machines? Are new working models emerging in the presence of increased security?**



Preprogrammed radical change.

The New York venture capitalist **Albert Wenger** sees unconditional basic income as a central building block for coping with the consequences of digitalisation. As the relationship between work and the creation of value is increasingly becoming disconnected, workers need a new form of engagement in economic activity. With the help of UBI, people can find out how they can work alongside machines in a meaningful way – and not compete against them.

When people talk about digitalisation, many think of apps and smartphones. What is digitalisation from your point of view?

Albert Wenger: It is a fundamental transformation of how people live – as fundamental as the invention of agriculture 10,000 years ago and the invention of industrial processes 200 years ago.

What is so revolutionary about it?

Albert Wenger: All these revolutions have been about how the relationship between human labour and the creation of value has changed. Let's take a quick look at history: When man realised that he could work the soil with a plough and spade, he was able to feed himself more efficiently, settle down and focus on new innovations. When industrialisation began in the 19th and 20th centuries, it became more efficient to replace human labour with machines. However, these new machines still needed workers to operate them. So more machines always meant more work. When the economy grew, capital benefited and so did the workers. Thirty years ago everything went to pieces: Digital technology enabled something that was not possible in the physical world: Zero marginal costs. This means that duplication does not produce additional costs. One more person watching a YouTube video produces no additional costs, but brings additional advertising revenue. One more person wanting to drive a car produces enormous production costs.

That sounds pretty good for an IT entrepreneur, doesn't it?

Albert Wenger: Yes, but it will lead to a number of problems at the system level, which will also affect entrepreneurs. Our labour market and social systems are based on positive marginal costs. If a product has no marginal costs, it does not produce work requiring social security contributions – and thus no distribution of wealth via the labour market. While workers are increasingly working in precarious and sometimes several jobs in the service sector, a few market leaders are skimming off the profits.

Albert Wenger is a managing partner at Union Square Ventures, a New York City-based venture capital firm with investments in companies such as Twilio, Etsy, Firebase, Behance and MongoDB. He is one of the best known voices from the “Wirtschaft für Grundeinkommen”, an association of entrepreneurs who see the idea of basic income as a bridge to the digital future.

This means that there is economic growth that only benefits the capital providers.

What consequences does this have for our society?

Albert Wenger: The great decoupling of capital and labour leads to the division of society. While the rich are getting richer and richer, many are losing their jobs in the industrial sector or are taking orders from machines in precarious jobs and are given their shift and delivery schedules by apps. They have the feeling that they are lagging behind, relatively speaking.

The problem is that politicians either don’t recognise the fundamental changes brought about by digitalisation or they deny it. Instead, they claim that small interventions will suffice – a retraining programme here, some interest rate policy there – and everything will be fine as it was in the industrial age. More and more people are losing faith in hearing the same old story. This is exactly when populists

such as Donald Trump and others come to power, who give people the illusion of security by returning to the past.

But what happens to jobs when the machines take over?

Albert Wenger: This is a topic of great confusion. This is because since the Industrial Revolution we have defined value primarily through paid work. We believe that those who earn more money obviously do the most important work. But that’s not true. The most important work is often unpaid: Taking care of children, parents, or friends, researching something that other people think is crazy but could be important for the future. Einstein had to work at the patent office because nobody wanted to give him money for his research.

market if they do not want to be Just as the trade unions were extremely important at that time when it came to regulating the complementary relationship between humans and non-intelligent machines, basic income will be extremely important in regulating the relationship between humans and the intelligent machines that replace them.

As long as I have to work to survive, I have no negotiating power. If however, I had basic income, I could say “no” and negotiate for better working conditions. So for technology to benefit people and not harm them, we need to change the balance of power in the labour market – by introducingan unconditional basic income.

Countries whose trade unions have regulated the balance of power between machinery and

> “The problem is that politicians either do not recognise or simply deny the fundamental changes brought about by digitalisation.”

Look at the climate crisis: We have to find solutions to this crisis very urgently, but very few people can be paid to do so because there is no market for them.

There will never be a lack of interesting and important tasks to which we should devote ourselves. To do this, we need to decouple work and how we measure value.

After all, work and the measurement of value or in other words income, are not yet decoupled. This means that we increasingly have to compete with machines in order to secure our income. How can we compete with machines?

Albert Wenger: We must first of all create the conditions for people not to be in the labour

labour well during industrialisation, such as Germany, have benefited more from industrialisation. In the same way, the countries that understand and introduce basic income today will enter the next age – the age of knowledge – much faster and with more success.

Of course, basic income is not a miracle cure, but it is a central building block for coping with the digital revolution.

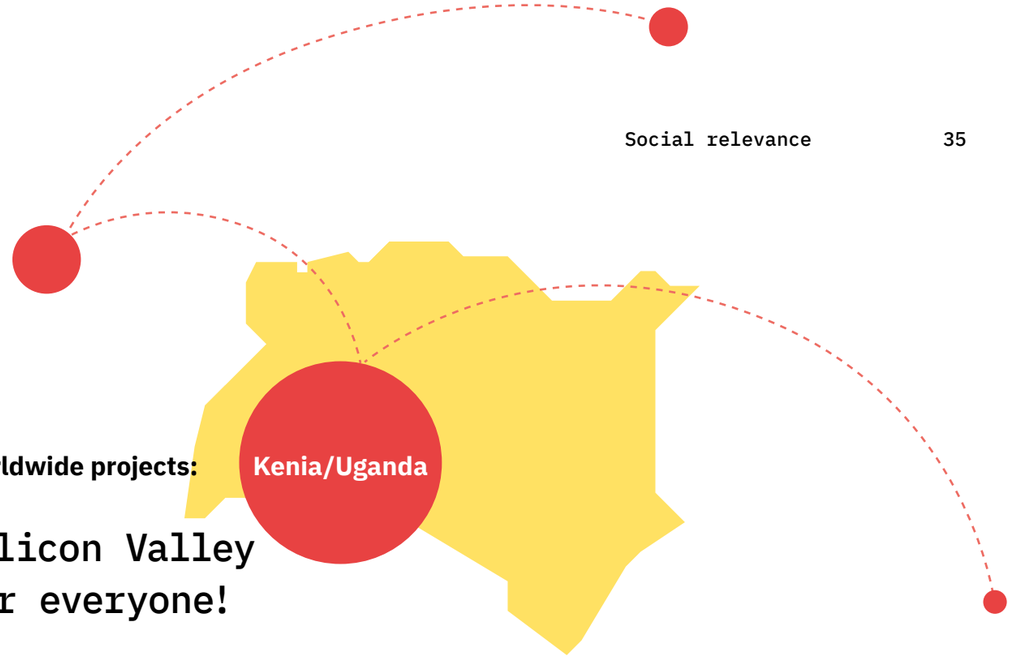
But people still want to work! Now you tell them that they can't compete with the machines and fob them off with 1,000 euros. DGB boss Hoffmann calls this the "decommissioning lump sum."

Albert Wenger: I can't speak for anyone else here. But it is true that many in the scene understand very well the potential that new technology has to offer and see that to continue blindly would have catastrophic consequences. The big mistake we have been making for 20 years is to believe that we don't need to radically restructure society in the face of digital production. We believe that small-step incrementalism is enough because digital machines work in the same way as the machines we have been using for the last 200 years. But this is wrong. ●

"We must focus on activities we would rather have done by humans."

Albert Wenger: We have to get back to not competing against machines, but working with them. We need to focus on the skills that machines might be able to do, but which we would rather have done by humans. For example, people are going to concerts more than ever, even though you can play any song in the world with the touch of a finger and as soon as there is a coronavirus vaccination, this will be the case again. We can also build robots that can cook, but people generally prefer to have humans cook for them. There is an emotional connection here that can only exists between people. These activities are best performed when they are carried out voluntarily. Only basic income can help in this regard.

You have an inside knowledge of the US tech scene. Why are so many internet tycoons – such as Facebook founders Chris Hughes and Mark Zuckerberg, Elon Musk and Twitter boss Jack Dorsey – so enthusiastic about basic income? Do they secretly want to pacify people and provide them with cash so that they can continue to consume after they have been made unemployed by the Internet corporations?



Silicon Valley for everyone!

Do people know whats best for them? This is what students from Harvard University in the USA and MIT wanted to know when they looked at the most efficient forms of development aid. With their organisation GiveDirectly, they started a large-scale field trial in 2016 in the poorest villages around the world: Donations should go directly to individuals – without intermediary aid organisations or state institutions. The underlying principle is the just-do-it attitude of Silicon Valley – and its money: The board of directors of GiveDirectly includes Facebook co-founder Chris Hughes and Google Giving boss Jaqueline Fuller.

Some of the villages receive 20 euros a month for a long-term period of twelve years, others for two years and in a third group of villages the people receive the sum of two years' basic income in one go. They received the money directly on their mobile phones – whether they used it to repair their roof or buy a television set was up to them.

"Cash allows individuals to acquire what they really need," explains GiveDirectly. And what they needed was medicine, cows, goats, school fees, solar panels, mopeds.

While GiveDirectly's studies show how direct donations lead to higher income and assets, critics consider the effects to be too short-term. Investments in drinking water treatment or non-agricultural enterprises were not taking place.

"The performance driven society will not be abolished by basic income – but by digitalisation. Basic income is a response to this."

Richard David Precht Philosopher

The buffer effect.

With the rapid pace of technological change, “some people will fall by the wayside because they simply cannot keep up with the speed at which things are changing”, Siemens CEO Joe Kaeser predicted at an economic summit. However, he said that we cannot wait for them, but must move on in the direction of digitalisation, automation and artificial intelligence.

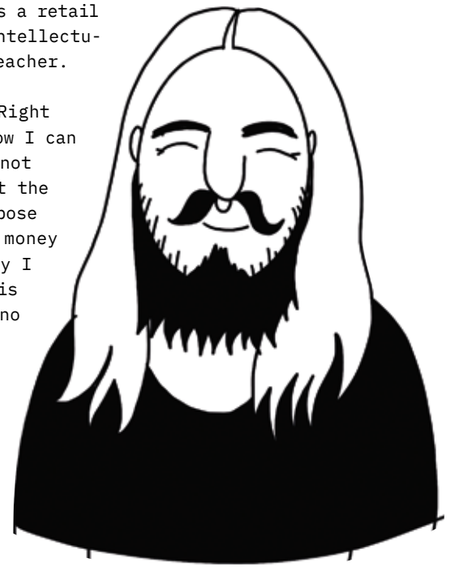
However, when people are replaced by more efficient machines for both manual and cognitive activities: what will they do then? To find this out and prepare for it, you need a buffer that gives people time. Basic income is a buffer in the transformation phase and is “completely unavoidable.”

“Now I can finally do the things I really care about.”

Call centre agent Christoph was one of the first to receive 1,000 euros per month which was collected online and distributed by Mein Grundeinkommen e. V. It allowed him to leave a dull job, which would soon disappear anyway due to increasing digitalisation.

When I was awarded basic income, I was just 26 years old and was dragging myself to the call centre every day to sit in a box for hours with headphones over my ears. I was really reluctant to go there. I constantly had stomach aches and intestinal inflammation from Crohn’s disease. You could say: I was unhappy. I did not want to return the job I trained for as a retail salesman, as it didn’t satisfy me either personally or intellectually. I wanted to work with children, preferably as a teacher.

Thanks to basic income my life has changed quite a bit. Right away I became calmer and more relaxed because I knew: Now I can finally tackle the things that really mattered to me and not have to worry about where the money came from. So I quit the job at the call centre, which had given me so little purpose and perspective, and took up a degree in education. The money gave me the courage to follow my heart’s desire. Finally I found my true self in the things I do every day – and this feeling has remained with me to this day. Even though I no longer receive basic income, I am much less stressed. Obviously this calmness and security has been dormant in me all the time and I only needed the opportunity to open myself up as a human. I have managed to hold onto this feeling and can finally take a deep breath. My bowel is calm now I have no stress. After the year of basic income, my girlfriend suddenly became the sole earner in our household – and we both noticed: It’s okay. We want to live a life together in which we do not serve machines, but our dreams.



Christoph took part in the “Mein Grundeinkommen” draw and won

Work: yes.
Money: no.

The world we work in is changing at a rapid pace. Fewer and fewer people are needed in the traditional occupations. But that does not mean that there is less to do. On the contrary: House-work, bringing up children, caring for the elderly and the needy, social, cultural and voluntary work cannot be digitalised or made more efficient. They are still needed. They are just not financially compensated.

When the meaning of necessary and meaningful work changes, shouldn’t we ask ourselves what someone who is serving our society deserves?

89 billion hours of unpaid work

66 billion hours of paid work

Source: destatis.de, Federal Statistical Office, 2013

Will necessity turn into desire? We want to know.

Normal working conditions are decreasing whereas part-time work and precarious jobs are increasing. However, most of the work in our society – such as bringing up children, household and care – is still unpaid. Those who receive money for their work are increasingly missing a sense of purpose. Behavioural economics tells us that payment is not a good motivator, and can even be demotivating.
So have work and income been decoupled for longer than we think? Are we perhaps slaving away not because of, but despite our work ethic? Can basic income "free up work", as dm founder Götz Werner claims? Are new motivations, productivity and creativity emerging? Will jobs be taken that are more productive and meaningful for people and society in the long term?

How will we find motivation if there is nobody to keep us going

For the pilot project, behavioural economist **Dr. Frederik Schwerter** is researching how basic income affects people's work situation. He suspects that for some people the intrinsic motivation to work might increase.

Mr. Schwerter, let me ask you a very basic question: Why do people work in the first place?

Frederik Schwerter: It can be fun when you are able to show off and develop your talents. Work can be an important part of your identity. It can create meaning and lead to acceptance in society. Of course, money as payment also often plays an important role in satisfying important needs. In addition, work can also be used to pursue goals and interests that go beyond the welfare of the individual. However, interpersonal relationships at work can also be motivating, such as when work is fair, when colleagues and superiors are treated with respect and when trust can be built upon.

Will people stop working when they receive basic income?

Frederik Schwerter: This is an important question on which we need to know more. There is still a lack of empirical evidence to provide a satisfactory answer.
It may well be that some people stop working or reduce their working hours in order to focus on other things. In doing so, one's own needs or other responsibilities may come to the fore, such as pursuing a leisure activity, caring for one's own parents, supporting an association, further training and reorientation, or much more. If people are largely satisfied with their work, maybe even found a calling in their work, then its just as likely that people will continue working.

A plausible assumption seems to be that people will react differently towards basic income. The question then arises as to how pronounced the various effects will be in society and which ones will dominate.

Is money even a good motivator?

Frederik Schwerter: Basically yes, but there is one important limitation. Money or other forms of extrinsic motivation, such as social recognition, can displace intrinsic motives. In other words: An occupation that is performed only for intrinsic motives may lead to more diligence and dedication than an occupation for which one is paid.

How could basic income change the motivation to work?

Dr. Frederik Schwerter is a junior professor at the University of Cologne and researches bounded rationality.

“Basic income could lead to a greater focus on an intrinsic motivation to work.”

Frederik Schwerter: Basic income could lead to a greater focus on an intrinsic motivation to work. Certain tasks at work would take on a new significance as a result.

If the focus is no longer primarily on making money, employees could, for example, “invest” more in the working climate. However, it could also be that people who receive basic income take a little more time when choosing a job and therefore increase their chances of finding a job that suits them best.

Basic income could lead to a shift in power on the labour market. Which effects interest you the most and how can you investigate them?

Frederik Schwerter: First of all, I would like to know how employees react to basic income in general. How will the supply of labour change? The basic income pilot project attempts to provide important initial findings to answer this question. The next step would be to find out how employers react to basic income and whether the balance in the labour market changes. This would require larger scale studies. For example, if entire federal states were to introduce basic income.

How important is the fact that the money is paid out unconditionally?

Frederik Schwerter: Context can play an important role. For example, people’s sense of security could increase through the payment of basic income. It could also strengthen the sense of community. In contrast to taxes, basic income is a direct payment from the community to the individual. Since people often act reciprocally – like you to me, I to you – this could also culminate in community-building behaviour. Moreover, basic income could have a positive effect on unemployed people. If basic income were to replace unemployment benefit, any associated feelings of stigmatisation would disappear. Everyone gets the same basic income. However, it is difficult to predict whether and how pronounced such effects will be in the specific case of basic income. It could also be that after a few months of basic income payments those effects are overshadowed by a familiarisation effect. ●

“As only one side of the labour market can say no, it is not a market. Only UBI would create a real balance in the labour market.”

Prof. Götz Werner founder of the dm drugstore

Good job.

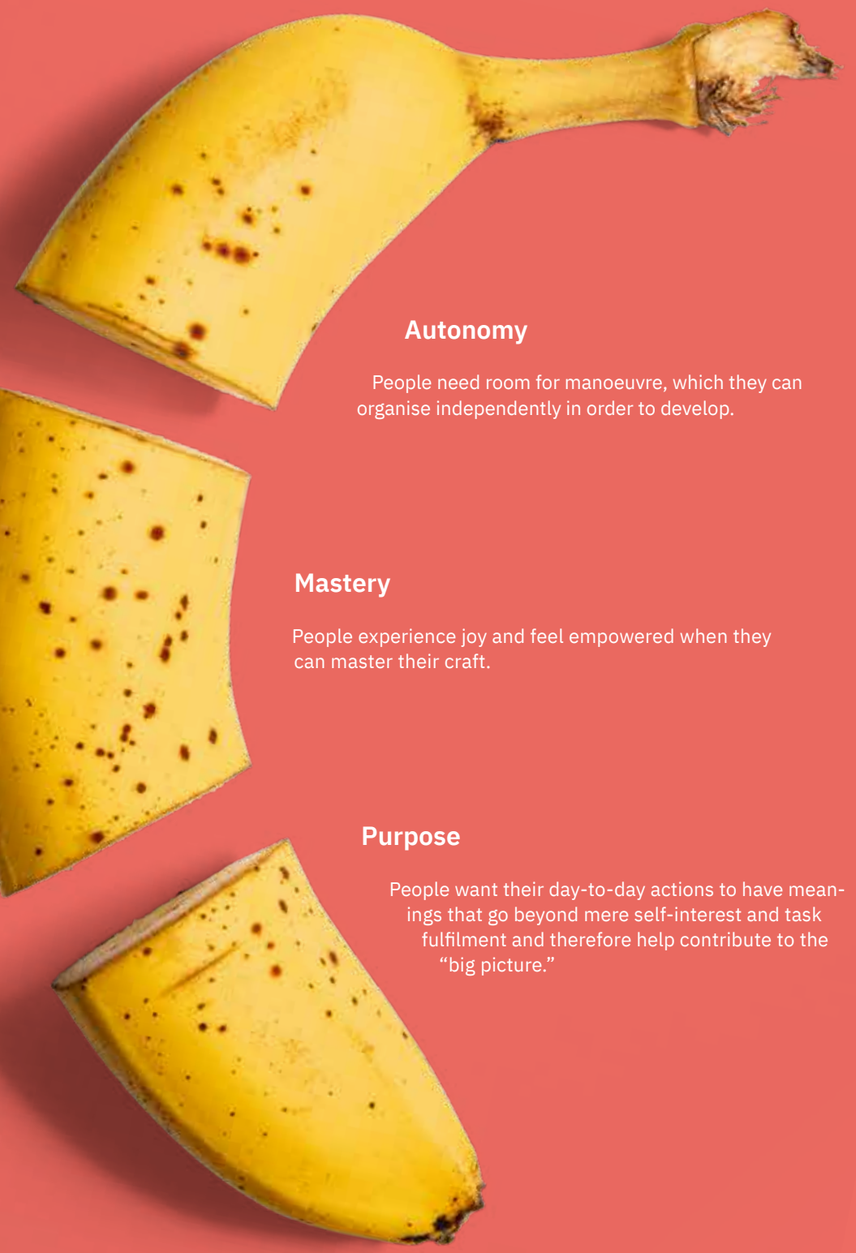
What really motivates us.

For years scientists have been researching what motivates people to work. In various experiments, they present test subjects with a difficult task. Group A gets a reward, group B does not. Which of them will show the better results?

According to our prevailing work ethic, the best performers should be the ones to receive the highest rewards. But the opposite is true. For decades only one side has been clearly winning over and over: Group B.

Rewards can even be demotivating if the tasks go beyond simple manual labour. For complicated or creative tasks, money does not act as a motivator, on the contrary – it literally holds people back. In his book “Drive: What really motivates us”, the American author Daniel H. Pink points out what actually motivates us:

“If we can get people to come up with really good ideas,” concludes Pink, “then we have to treat them like human beings and not like workhorses with carrots and sticks. Then we would not only have better companies and organisations, but also a better world.”



Autonomy

People need room for manoeuvre, which they can organise independently in order to develop.

Mastery

People experience joy and feel empowered when they can master their craft.

Purpose

People want their day-to-day actions to have meanings that go beyond mere self-interest and task fulfilment and therefore help contribute to the “big picture.”

IS LAZINESS A THING

In industrial circles, diligence is considered a great virtue (Industry is Latin for diligence). Its counterpart, laziness, is ostracised and sanctioned. Is laziness really a weakness of character that can only be overcome with a carrot and stick?

Dutch historian Rutger Bregman said in his highly regarded TED talk: By describing poor people as “lazy”, we turned their structural disadvantage into a moral judgment and declared them to be the guilty ones. He disagrees and claims: Poverty is not a weakness of character, but simply a lack of money.

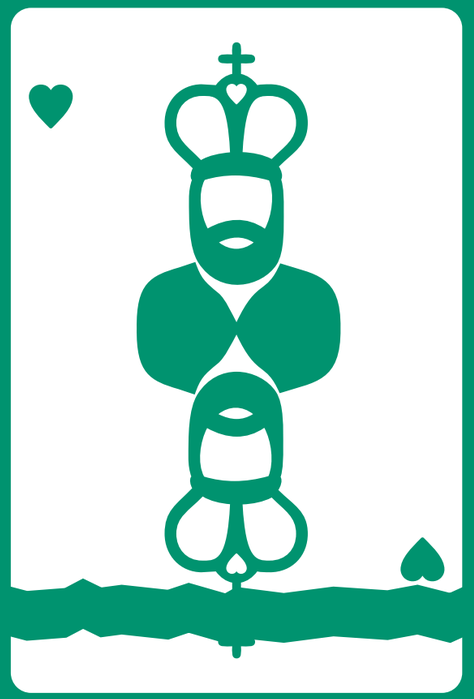
Hartmut Rosa, sociologist at the University of Jena, also turns the laziness argument on its head: “This phenomenon of people getting so frustrated that they sit in front of the television with their beer bottle, that’s what Hartz IV has created. Because it has devalued these people and their time. If you convey to the same people that they are actually unnecessary, then you deprive them of the opportunity to be actively, creatively and innovatively connected with the world and society. People like to make an effort. They also like to be creative. It’s part of our nature.” Laziness is not something typically human that needs to be eliminated through pressure, but is generated by the social system itself.

In fact, a much criticised design flaw in the Hartz-IV system is that there is little financial incentive to take up paid work, since 80 percent of any additional income is immediately deducted. While for the working population “effort should be worthwhile again”, unemployed people are punished for it. Is it at all surprising that laziness develops when motivation is lost? Nevertheless, perhaps the whole idea of laziness is worth a closer look. For although 80 percent of wages are deducted from the unemployed, one million Hartz IV recipients do go to work, even though it is hardly worthwhile financially for them to do so.
In the Finnish pilot project on basic income, an unconditional basic allowance was tested in which every additional euro earned was allowed to be kept in full. More than two thirds of the recipients stated that this would make it very financially rewarding to take up a job. Without basic income it was only 42 percent.

“Although unemployed people get 80 percent of their wages deducted, one million Hartz IV recipients do go to work.”

In the end, however, despite financial incentives, Finnish basic income recipients neither worked more nor less. Perhaps unemployment is not really a question of motivation and morals, but simply of job vacancies.

Do lottery winners go to work?



Less than

10%

of respondents gave up gainful employment

The Belgian lottery “Win for Life” has been raffling off a lifelong pension for a considerable period of time, which is roughly equivalent to a guaranteed basic income of 1,000 euros. If an unconditional basic level of welfare is available until the end of a person’s life – how will their lifestyle change? In a study, all of the 184 winners of 2004 were contacted to find out whether the winners continued working. The result: Less than 10 per cent of those surveyed gave up their gainful employment, for example, to look after their relatives or children.
Some changed their occupation towards their dream job. Some reduced their working hours.
The advantage of an unexpectedly early retirement allowed a more relaxed way of working, based not on compulsion but on personal initiative.

- completed pilot projects
- ongoing pilot projects
- planned pilot projects

Source: https://basicincome.stanford.edu/experiments-map

Then who’s going to work?

Just about everybody. In a meta-analysis of 165 studies on transfer payments worldwide, the Overseas Development Institute evaluated what effects these have on work morale. It turned out that there was no epidemic of laziness in any country. On the contrary: Instead, according to most studies, work intensity and motivation had actually increased. These effects are also evident in the current and previous pilot projects on **unconditional** basic income.

Only children, the elderly and people with care commitments worked less – which is a socially desirable effect.

“My experience with basic income has encouraged me so much that I now prefer to focus on people’s strengths.”

Social worker Corinna won a basic income of 1,000 euros per month. As a result, she has realised what a leap of faith can achieve – and that she would rather work to encourage the poor rather than force them into doing something.

Corina took part in the "Mein Grundeinkommen" draw and won

Receiving basic income is a very special gift. I didn’t want to waste it and buy a lot of expensive things. That’s why I invested the money in education: a two-year part-time training as a family therapist. Since working in the social system no longer makes me happy.

As a social worker I advise families in different living situations, with different levels of education and social backgrounds. They come to me because they have problems. Many do not come voluntarily, but instead because they have violated child protection laws. The majority of these families whom I advised received Hartz IV, and for them to get family support or a place in a housing group, they have to prove that they are really in need. And that’s a problem: People have to prove to me and other government agencies all the time that they are in need. Hartz IV is a kind of free money, but only if you can prove yourself to be a loser. Housing benefit is also a stigma for many low-income earners. They think: I can’t make a living on my own. It does something to your self-esteem when you have to prove over and over again: I’m not up to it. People are brought up to constantly question themselves; they are forced to describe themselves as incapable. Some can no longer identify any strengths, even for their own children. Basic income would make a big difference for people I give advice too because then they would finally have time to concentrate on themselves and focus on what they can do instead of what they can’t.

My experience with basic income has encouraged me so much that I now prefer to focus on people’s strengths. Everyone can feel how good it is to be encouraged. And this feeling is inspiring. I would like to go to a counselling centre and continue working on a voluntary basis rather than by being forced to. I want to continue to trust people.

The gummy bear effect.

How do rewards work? An experiment in business psychology has a surprising answer to this question.

At a children’s birthday party an exciting story of pirates, dragons and a sunken treasure is told. The children are asked to draw pictures. They throw themselves onto the paper and passionately draw pirate bays, sea monsters and detailed fleets of pirate ships. Now the experiment is changed and an incentive is introduced: The children receive a gummy bear for each picture they finish. At first they are very enthusiastic, but all of a sudden two types of children emerge: Artistic personalities continue to work on their artwork with the same zeal as before and see the reward as a positive bonus. The entrepreneurial personalities, on the other hand, enter into mass production: According to the motto “time is money” the pictures are produced with increasing sloppiness and speed. As a sign of their success, the entrepreneurs pile up gummy bears in front of them. The artists, completely absorbed in their paintings, start to notice the piles of gummy bears the other children have out the corner of their eyes and slowly but surely lose interest in creating detailed works of art. In the last phase of the experiment, the rules of the game are changed again and the children are told that the gummy bears are finished. Suddenly both the entrepreneurs and the artists lose their motivation. They have been corrupted by the reward and become “homo oeconomicus.”

The fact that people supposedly allow themselves to be motivated solely by wages and rewards is therefore not natural behaviour. It is learned through reward systems such as grades, praise and of course, salaries. Some even go so far as to say: Financial reward does not promote our creativity, but destroys it. In order to be able to follow intrinsic motivation, it is necessary to secure a livelihood which is independent of performance. Gummy bears for everyone!

A new divide in Germany.

A cultural divide is opening up between a flexible, globally thinking urban population and an identity-conscious, firmly rooted rural population. The realities of life are becoming increasingly distant. Anger grows wherever people feel disconnected and unseen. An effect that can be observed in Germany and in many parts of the world.

Of the 9.6 billion people predicted to be alive in the year 2050, two thirds will live in cities – in 1950 it was only one third.

Source: UN DESA, 2015

6.4

billion people living in cities

3.2

billion living in the country-side

Will ego turn into eco? We want to know.

Society is becoming increasingly divided. Some want freedom in order to be able to achieve the independence promised by the wider world. Others need security to cope with the complexity of their lives. These seemingly irreconcilable needs lead to populist and identitarian cultural struggles, which are increasingly fought on an emotional level and lead to mutual deadlock. **Can basic income be a politically unbiased idea that resolves the contradiction between freedom and security? Will envy and stigmatisation disappear if we are all equal to the sum of 1,200 euros? Are we less likely to point the finger of blame at others when we ourselves have less to lose? Will competition turn into cooperation? Does this leap of faith in each and every one of us lead to a basic level trust, which in turn results in a decisive economic factor?**

A divided country is half a country.

Psychologist **Dr. Susann Fiedler** from the Max Planck Institute for Research on Collective Goods wants to find out how people make decisions. They need as much time, autonomy and freedom from stress as possible in order to consider the best interests of society. With the “Basic Income Pilot Project” she would like to find out whether basic income would be a good way of achieving this.

We have been observing a growing social divide for some years now. How does such polarisation arise?

Susann Fiedler: Polarisation is as old as mankind due to our need to have coherent narratives that relate to ourselves. What we do ourselves is always good but when others do something we do not like, it is always bad. On a small scale, this is an isolated problem. However, on the Internet it becomes more of a social problem, as echo chambers are created and the same opinions and sources become amplified. We often lack the common ground for exchanging ideas, without which it becomes increasingly difficult to understand one another. Moreover, within these echo chambers a social norm emerges that legitimises discrimination against other groups.

You research the circumstances that lead us to discriminate against others. What are such circumstances?

Susann Fiedler: Imagine that you are pressed for time and can therefore only focus on the most important things. What happens? You need to prioritise. First of all, you take care of the issues that are most important to you and your relatives. The more pressure and lack of time there is, the more selfish, exclusionary and short-sighted you prioritise, even if this is to your own disadvantage in the long term. To be able to take care of the needs of others and of society, you need time and cognitive resources.

How do you research this?

Susann Fiedler: In our experiments we put people under artificial time pressure or ask them to remember long series of numbers. These forms of cognitive stress cause people to donate less, their willingness to help decreases and they are less cooperative in group situations. As we say: Pro-social behaviour decreases.

Which conditions would have to be changed in order to promote pro-social behaviour?

On the one hand, there are countless preventive measures: good role models, strong social standards, education. However, there is also information, the threat of punishment, social contracts. If however, none of this helps, then the most important thing to do in a situation of emerging discrimination is to keep a clear head.

“Recipients could get the feeling that others not only place demands on them, but also trust in them and their abilities.
That makes a difference.”

Photo: Carlos Kurschilgen

Dr Susann Fiedler
works at the Max Planck Institute for Research on Collective Goods. She is interested in how people make decisions.

Can basic income ensure that the mind is cleared for more pro-social behaviour?

Susann Fiedler: That’s what we want to find out. Many psychological theories suggest this to be true. For example, if the sense of autonomy is increased, there is less cognitive strain and stress. However, such experiments often only lasted up to 30 minutes. After that, the theory ends. It is therefore more interesting in the real world, where a complex structure of living conditions intertwines.

Would a state basic income actually work differently than our experiment with 120 people?

Susann Fiedler: Absolutely. In our experiment, participation is a stroke of luck. If the state were to pay out basic income, this would be the new norm. This would change the perception of money.

Is it also important how it is paid out?
Susann Fiedler: Of course! This is because the context in which money is received changes how other people perceive the recipients. Let’s look, for example, at the debate about Hartz IV with all its prejudices and social judgements. It makes Hartz IV recipients feel guilty and less capable of acting on their own.

As a result, basic income support – which is quite high by international standards – nevertheless gives rise to negative feelings among recipients.

Yes, and the question is whether this would be any different with basic income. Since everyone would receive it and the payments would be unconditional, people might not feel so bad about receiving the money. In contrast to Hartz IV, they are then no longer the ones who “living off the state” or “relying on society to provide for them.”

Where might these better feelings lead?

Susann Fiedler: Recipients could get the feeling that others have not only a stake in their lives, but also basic trust in them and their abilities. That makes a difference.

Like what?

Susann Fiedler: There are exciting experiments from schools where teachers are told in advance whether randomly selected pupils are “good” or “bad.” Students who the teacher think are good, become better. Not only in how they are evaluated, but actually in their performance. The leap of faith becomes a self-fulfilling prophecy. If basic income is also perceived as being a leap of faith, then this could make a big difference.

So is basic income really just a placebo pill for better feelings?

Susann Fiedler: For those who do not have enough money, basic income is certainly more than that. They need the money to live a decent life. However, if that were the only effect of basic income, it would not be enough. After all, Hartz IV is already trying to provide the function of creating basic income. Basic income cannot just be about money as there is not much more money to distribute than is currently the case. It must be about people feeling more valued because of the unconditional approach to their work, their decisions and their lives, thus giving them room to make better choices.

Speaking of better decisions. Would people receiving basic incomes discriminate less against each other and perhaps reduce social division?

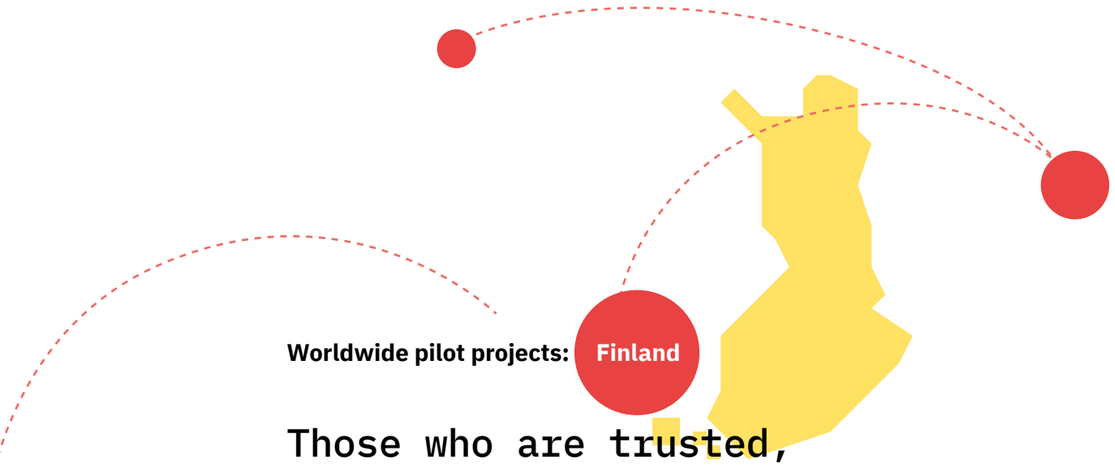
Susann Fiedler: I’m very open-minded about it. But it is a possibility. When under pressure, people tend to focus on the familiar and are less likely to look for new information. They are then more likely to surround themselves with people who are like them. If, on the other hand, they have time and resources, then they can be more accommodating and more social. That’s the theory anyway. What people actually do, we’ll see. Basic income alone will certainly not overcome the social divide, but perhaps it will ensure that more people can ask themselves this big question and that social norms will change as a result. ●

“The transition from a psychology of scarcity to one of abundance is one of the most important steps in human development. A psychology of scarcity generates fear, envy and selfishness (which can be observed most intensively in deprived rural cultures all over the world).

A psychology of abundance generates initiative, confidence in life and solidarity. The fact is, however, that most people are still psychologically caught up in the economic conditions of scarcity, while the industrialised world is about to enter a new age of economic abundance. However, due to this psychological “phase shift”, many people are not even able to grasp new ideas such as guaranteed income, as traditional ideas are usually determined by feelings that have their origins in earlier forms of society.”

Erich Fromm
Philosopher and psychoanalyst
1966

Photo: Müller-May/Rainer Funk



Worldwide pilot projects: **Finland**

Those who are trusted, also learn to trust others.

In this Scandinavian country, 2,000 randomly selected long-term unemployed people were paid 560 euros a month for two years starting in 2016. The test persons aged between 25 and 58 years did not have to pay tax on the money and were allowed to earn additional money in part-time jobs alongside their basic income. The first study found that the participants developed greater confidence in themselves, their future and even in state institutions than the comparison group. The researchers explained that trust is apparently a mutual effect: If people can be trusted, they will go on to put their in trust others. “Trust is a commodity that can be traded.”

“Either we introduce basic income or we will experience substantial social conflicts, which will be much worse than the hatred of foreigners and refugees.”

Yanis Varoufakis former Greek Finance Minister

A healthy society.

Why do we believe that we are solely responsible for our happiness, our prosperity, our lives? And where does that lead? In Judaism, Christianity, Hinduism and Buddhism there is an allegory for this:

People sit at a large table laden with delicious soup. There is enough for everyone, but the spoons have a very, very long handle. In hell, people greedily pounce on the pot, but the spoons are too long to reach their own mouths. As they cannot feed themselves, they starve to death. In heaven, however, everyone feeds each other. Since each individual is not selfishly concerned with feeding only themselves, everyone gets enough to eat.

For hundreds of years we were taught to be selfish at the table. We live in abundance, but it often feels like scarcity. Is basic income the big spoon with which we can practice cooperation, trust and generosity?

What can money do, Ms Osmanoglu?

Aysel Osmanoglu is a board member of GLS-Bank, the “Gemeinschaftsbank” for loans and donations. The world’s first eco-bank operates according to social-ecological principles and grants loans and finances to more than 11,000 companies and projects per year – in areas such as independent schools, renewable energies, facilities for the disabled and sustainable construction.

Photo: GLS Bank, Martin Steffen

For me as a banker, money is a means of shaping society. Depending on where and how we use it, it has different qualities:

Purchase money

On the one hand, it is used as purchase money, which we use every day, for example when we consume something or use a service. This type of money is rather oriented towards the past. With it, we say to the manufacturer or service provider:

“Thank you for producing the consumer product or providing the service.”

It shows recognition and encourages them to offer such products or services again.

Loan money

Then there is loan money, for example when we as a bank invest in the form of loans and shareholdings. It is subject to certain conditions. We say to the borrower:

“If you have a concrete plan for a meaningful enterprise, we’ll help your plan succeed and share in its success.”

Gift money

And lastly there is gift money, for me this is the ultimate form of dealing with money, because it is unconstrained. With it we say:

“Go forward with your ambition, with your extraordinary talent. We trust in your future potential.”

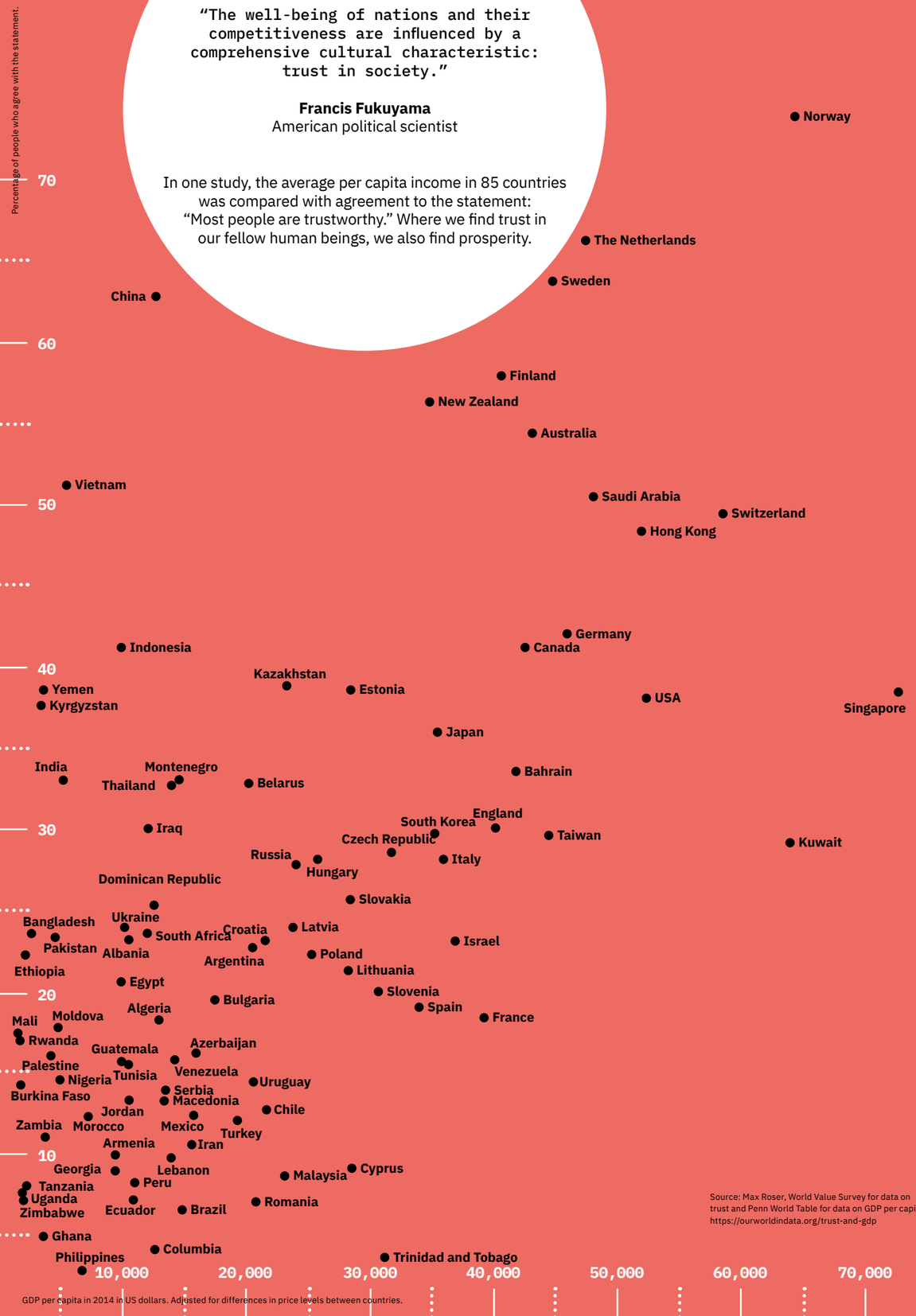
Basic income has a liberal character because it assumes that people can develop ideas even – or especially – without financial fears.

The crux of the matter

"The well-being of nations and their competitiveness are influenced by a comprehensive cultural characteristic: trust in society."

Francis Fukuyama
American political scientist

In one study, the average per capita income in 85 countries was compared with agreement to the statement: "Most people are trustworthy." Where we find trust in our fellow human beings, we also find prosperity.



Source: Max Roser, World Value Survey for data on trust and Penn World Table for data on GDP per capita: https://ourworldindata.org/trust-and-gdp

"Basic income can encourage us not to take the quick and easy answers, but to take social responsibility."

Dana from Annaberg-Buchholz in the Ore Mountains received one year's basic income in December 2019. She would like to see a social discussion about the needs and wishes of everyone so that we can better understand each other and is taking the first step with her basic income.

It was clear to me from the outset that I would spend the entire basic income on my social project: For "Anna + Sascha e.V.", an inclusive café that I have been building up here in Annaberg together with other committed people for five years. We already have the building and our illuminated sign, but we still have to invest a lot in the renovation. We want to turn the upper floors into a hostel and of course everything should be accessible. The house is partly listed because it borders on the old city wall. This makes things complicated and expensive.
State funding programmes are sometimes so sterile and detached that I often get the feeling that hardly anyone is interested in the deeper motives and the positive influence that our project has on the ground. The patronising attitude, which suggests that you want something you are not entitled to – it makes me so angry!
With my basic income I can now contribute money in addition to my manpower and time. I am pleased that it can have an effect on the project. We will help stimulate many ideas in the minds of our guests. For example, when they have to mark their order on a piece of paper because not everyone can understand speech. I find it enriching to be able to evaluate one's perceptions in a different way. Anyone could have an accident and suddenly lose their ability to walk up the stairs. Of course there will also be changes for those who work on the project. That goes for me too. We will try out many new things and learn a lot from each other.
For me, that's called community. When people see each other, pay attention to each other, try to find out what the other person needs and then allow and enable each other to do the same. With "Anna + Sascha e.V." we want to show how this can work. Basic income can create the strength needed to address precisely these issues, as it takes away the pressure to work and creates security. It would encourage us not to adopt the quick, short, convenient answers, but to create a sense of social responsibility.

Dana took part in the "Mein Grundeinkommen" draw and won

No land in sight.

Democracy and its institutions are under constant attack. Conspiracy theorists see dark forces at work, that are trying to control us with G5, compulsory vaccinations and chemtrails. “Reichsbürger” take the easy way out and immediately cast doubt on the existence of the Federal Republic as a whole. We experience blatant agitation against unwelcome minorities, elected officials and the press.

No wonder society is running out of the elixir of life: trust.

+30%

believe the country is moving in the right direction.

70%

believe the country is moving in the wrong direction.

Source: More in Common, 2019

Will accusation turn into responsibility?

The political situation in Germany is more unstable than it has been for a long time. According to the More-in-Common study of 2019, 70 percent of the population believe that the country is moving in the wrong direction. One in two is dissatisfied with the way German democracy works. These views are fuelled by strong feelings of insecurity and injustice. **Can basic income alleviate uncertainty and therefore remove the breeding ground for populism and disenchantment with democracy? Can outrage turn into empathy? Can we regain trust in institutions and in each other if they trust us? Does basic income lead to increased personal responsibility and end frustration and feelings of powerlessness?**

Foundations against fundamentalism.

The international research organisation “More in Common” wants to understand which forces can drive a society apart. The leader of the German team **Laura-Kristine Krause** explains in an interview how important it is for cohesion to be able to get involved and develop oneself.

In the past, the social groups were manageable: Workers were left-wing, the wealthy were conservative. Along which line is society divided today?

Laura-Kristine Krause: We are increasingly finding that the rigid dividing lines between labour and capital, church and state or city and country are no longer sufficient to understand why polarisation arises and the argument becomes more abrasive. It is therefore worth looking at the social fabric, which often breaks down into completely different sets of values. In Germany, for example, we have a three-tier society, with an invisible third that is not well integrated into society.

What role do income differences play in the perceived division of the country?

A big one! They decide, for example, to what extent someone is involved in society, how much he or she can use society as a place of development and whether there is any freedom to do so. However, differences in income cannot always explain what political opinion people have or why political polarisation arises.

If group identity is no longer dependent on socio-economic factors, how can policy ensure cohesion?

Laura-Kristine Krause: Politics must keep the various dynamics of society in mind. On the one hand, it is about making sure that everyone can have a good life. As well as questions that have nothing to do with income such as: “Do I feel appreciated?”, “Do I often feel lonely?”, “Do I trust political figures?” This is exactly what we are looking at with our study “Die andere deutsche Teilung.”

In it, 75 percent of the study participants say that public debate is becoming increasingly hateful. Where does the anger in the political discourse of recent years come from? What is the significance of the – perhaps subconscious – fear of social decline?

Laura-Kristine Krause: In fact, a climate has now developed in our country in which it is increasingly difficult to discuss social dividing lines. Many people tell us that they often avoid talking about difficult topics, but that’s exactly what we need in order to overcome social challenges such as the asylum situation in 2015 or the corona crisis. We know from scientific research on right-wing populism that fears

of social decline do not make this dangerous mix any better. The feeling that things could be worse in the future than they are today is an important driver of uncertainty – and that makes people aggressive in the face of doubt.

Despite the economic upturn, 64 percent of those surveyed in your study say that the social situation has worsened in the last five years. 80 percent of the so-called "disappointed" and "angry" people say "People like me don't see enough of Germany's economic success." Does more money help or is it about something else?

Laura-Kristine Krause: The figures on economic success have also caught our attention, as they show that there is a discrepancy between what is said about the country as a whole and what the people themselves experience. I believe that this is above all about participation, about the feeling of being part of society.

What could basic income do for them?

Laura-Kristine Krause: The basic feeling of many people is that they are not getting their fair share compared to others. So the main question is: Can basic income combat this perceived injustice? The problem with that is: People's sense of justice is multi-faceted and all of them need to be taken into account. The "disappointed", for example, feel the need not just to be provided with a lump sum, but also to be explicitly recognised for their own contribution. It is therefore not just a question of "how much", but also of "what for" and "for whom." These aspects should definitely be kept in mind.

Laura-Kristine Krause
Leader of More in Common Germany

In your study, 52 per cent are dissatisfied with democracy in Germany. Katja Kipping calls basic income a democracy flat rate. Would it be conceivable that basic income for all would improve satisfaction with democracy?

Laura-Kristine Krause: I don't believe that a single "tool" is capable of overcoming dissatisfaction with democracy, which is the result of a multitude of social developments. That is why I do not believe that basic income alone will improve satisfaction with democracy. What I can well imagine is that there can be new scope for personal development and social participation and that people could feel more recognised and better integrated into society as a result. This would certainly help to strengthen cohesion and satisfaction with democracy.

Could a basic income that all citizens receive, regardless of their social group, create a greater sense of equality and reduce the stigmatisation of others?

Laura-Kristine Krause: Stigmatisation happens for very different reasons: social, economic, religious or cultural. Insofar as the stigmatisation of people clings to their socio-economic possibilities, which does indeed happen, then a basic income can of course provide relief in this regard, for some people more than others. ●

The right wing.

Where does populism thrive? According to a study by the Hans Böckler Foundation, most AfD voters share a common experience: They feel that they are losing control – on a personal, political and national level.

Firstly, strong personal concerns about the future, for example financial security in old age, the future of children and the resulting fears drive people to populism. More often than not they have a feeling of powerlessness in the face of technological change. People see their own future in the workplace of tomorrow as uncertain. The currently accepted promise of service seems to be eroding. The fear of no longer having a place in society as a valuable, working person is spreading.

Regardless of their current real income, jobs or socio-economic status, AfD voters feel left behind. They place themselves at the bottom of society and perceive their own social position particularly negatively.

Populists take advantage of this rather vague feeling of general social insecurity and redirect it into channels of disenchantment with democracy, contempt for humanity and nationalism – without, however, offering a viable solution to the perceived loss of control.

Do we have any tools to fight populism? Three theories.

1 Basic income reduces future insecurity

In the Finnish experiment involving the unemployed, the future prospects of the recipients increased significantly compared to the comparison group. Would this effect also occur with people who are simply afraid of unemployment? There is no research on this yet.

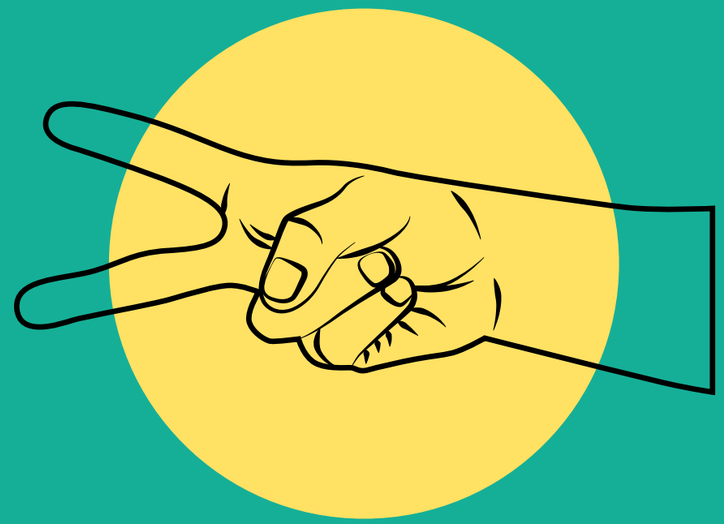
2 Basic income reduces the fear of losing status

In times of great uncertainty, populists try to maintain a narrative of strength by punching “down”: against migrants, against financially weaker people, against minorities. When threatened by one’s own decline, it feels better when the others are at least worse off. For this reason, a study by the Friedrich-Ebert-Stiftung comes to the conclusion that no new social consensus can be reached on the subject of “basic social security.” The question of who should have access to basic social security is too controversial. Basic income could avoid this conflict. Since all citizens received it, the stigma of not having “made it” and “having their hands in the pocket of others” could be removed. Instead of envy-driven debates on distribution that create even more division, the fact that everyone is equal up to a certain amount could actually be a bridge-building exercise.

3 Basic income overcomes political feelings of alienation

The Finnish experiment has ensured that the recipients have regained confidence in the welfare state, the rule of law, the police, the European and national parliament, parties and politicians in general. Yet this new trust does not appear to have been simply “bought.” According to the study report: “A key criterion for full citizenship is that people feel that they can influence decisions that affect them.” This feeling actually increased significantly in the experimental group.

This effect would confirm the hopes of proponents that basic income would make excuses disappear and lead to a stronger assumption of responsibility. Instead of blaming politics, people would be forced take responsibility for the trust placed in them. Katja Kipping therefore also calls basic income a “democracy flat rate.” Just as politicians were given unconditional expenses in order to work independently regardless of content, the sovereign power in democracy, i.e. all citizens, should have enough material resources to be able to get involved politically.

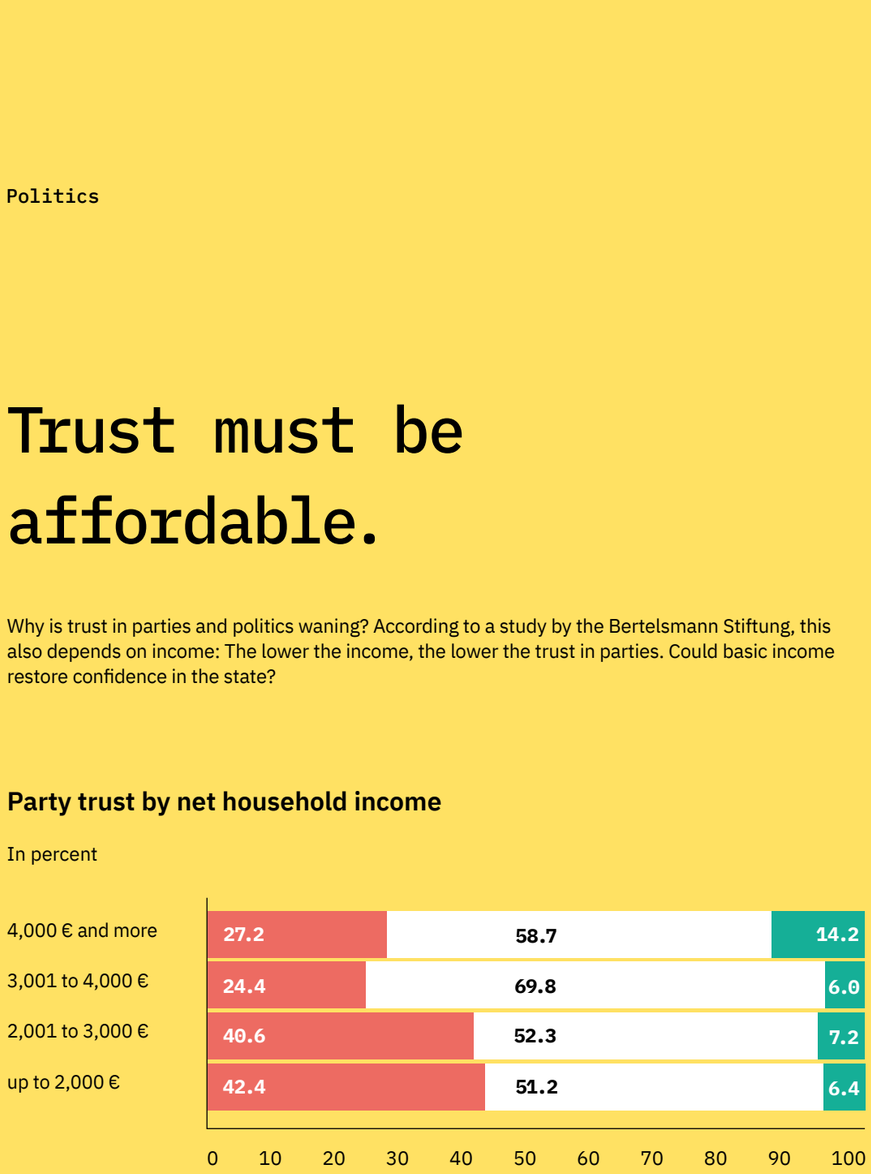


Trust must be affordable.

Why is trust in parties and politics waning? According to a study by the Bertelsmann Stiftung, this also depends on income: The lower the income, the lower the trust in parties. Could basic income restore confidence in the state?

Party trust by net household income

In percent



Source: Bertelsmann Stiftung, 2017

"Fundamentalists thrive where the foundations are missing."

Christina von Braun Cultural scientist

"By receiving basic income, everyone experiences themselves as part of the big picture."

Rachel is a mathematical economist and has received basic income since November 2019. She is by no means dependent on additional money – nevertheless, basic income has also helped set things in motion for her.

I believed in the idea of a basic income from the very beginning and took part as a "Crowdhörnchen." As a family with two well-paid employees, we have an above-average income. I was not interested in profiting – the basic income makes no fundamental difference to our financial situation. Instead, basic income has a completely different quality for me. It provides me with a sense of responsibility – it's like a mandate to become active and get involved. In society, many individuals give something so that I can be assured of my basic needs. Suddenly I wondered: What can I give back, what do I want to stand up for? This duty to serve the community does not feel like a burden, but is rather liberating. There is nothing I have to do to receive the basic income, but there is something I want to do with it. That triggered a flood of ideas in me: We could bring more cultural activities into the town, for example with a theatre company as a holiday programme for school children. Could there be a new way for multi-generational households to live together? Would an initiative for sustainable consumption find enough supporters here in Germany to jointly develop an alternative to discount supermarkets, such as a packaging-free shop? Just under a quarter of the inhabitants here in the village vote for AfD. I often quickly run out of arguments when discussing political and social issues. I need more time to deal with the issues.

Basic income creates the free space for political education. I am currently experiencing for myself how I can step out of the rat race and get more detailed information and take a firm position. Many people feel disconnected and do not see themselves represented in politics. It's easy to distance yourself from "those up there who just take the money out of your pocket." What we get in return is not very tangible. It would be different with basic income. This frustration should go up in smoke the moment each person sees the euros on his or her own account and knows exactly how much they are involved in the community. With the introduction of basic income, existential fears are abolished. Surely this must do something against selfish tendencies, exclusion and disenchantment with politics!

I am not satisfied with the fact that the discussions about basic income are conducted in a theoretical context. As a mathematician I would like to have more data to reference. I'm optimistic about it: With basic income, everyone experiences themselves as part of the big picture and has the freedom to become active in the community – even if this were only the case for ten per cent of people in real terms, we as a society would gain a lot.

Rachel took part in the "Mein Grundeinkommen" draw and won

What a load of rubbish.

We live in a society of excess, in which internal and external resources are ruthlessly exploited. We are not the only ones suffering as a result of our performance driven society – our planet is too. Rising carbon dioxide emissions and plastic waste, declining biodiversity and mineral resources are the result of an economy that has been for centuries geared towards growth.

As we stand on the edge of environmental disaster, we must ask ourselves what a sustainable life that is not built at the expense of other cultures, species or generations could look like. “How much is enough?”, is a question that no longer only concerns the individual’s needs but also those of the world.

3,700

plastic bags are used per minute in Germany

20

years is the minimum length of time it takes for them to decay

Source: Deutsche Umwelthilfe, 2018

Will greed turn into frugality? We want to know.

Those who have more money consume more. So would it be harmful to the environment to give people more money? **Or could we use the basic income to overcome stressful lifestyles and therefore unconscious consumption? Are we finally leaving the hamster wheel of production and consumption thanks to basic income? If we can reduce everyday problems, will this allow us to focus on larger issues such as climate change? Does basic income create the conditions necessary to give up consumerism?**

Our environment and the climate of society.

The environmental psychologist **Prof. Dr. Gerhard Reese** is investigating why we understand climate change but still fail to act sustainably.
He believes that self-efficacy can help to break the cycle. Will basic income help?

**Mr. Reese, word must have really started to spread that our overconsumption is destroying us.
Why is it so hard for us to do without?**

Gerhard Reese: Basically you could say: because we have learned to be this way. We live in a system that rewards consumption. “Buy yourself to happiness” is such an internalised principle that it’s hard for us to escape. “Because I’m worth it” and “I’m loving it” are advertising messages that trigger our desire to spend that goes beyond what is necessary. There are studies that show that less consumption and less materialism can make you happier.

A growing number of people who would like to act more sustainably, but are unable to do so, are feeling the effects. What prerequisites are needed for us to act in a climate-friendly manner?

Gerhard Reese: The first thing you need is an awareness of your own actions. What do I consume, how much do I consume? This usually means recognising and rethinking your routines and habits. There are three or four behaviours that can have a real impact on the individual – a plant-based diet, alternatives to air travel, less driving, using green electricity. The social environment is also crucial: You can be a convinced climate activist and still need or want to fly to conferences. If all my colleagues are also flying off to exotic countries, then I don’t want to be stuck sitting at the Baltic Sea.

Are there also psychological conditions that influence ecological behaviour?

Gerhard Reese: We know that people are especially capable of changing their behaviour when they feel that they can have an impact on the world. Does what I do here really make a contribution? For example, no statistics show that I have been on a vegetarian diet for twenty years.

In basic income experiments it was found that people feel more empowered, that they have a feeling of more control over their lives and that their well-being increases.
The hope is: Those who are doing well also act in a more climate-friendly way. Can this work?

Gerhard Reese: There is a link between self-efficacy and environmental protection. The more empowered I feel, the more willing I am to act

Dr. Gerhard Reese is Professor of Environmental Psychology at the University of Koblenz-Landau and researches how people have an impact on the environment and vice versa. He appears in lecture halls, at science slams and on television and demands: Change yourself, not the climate!

in a climate-friendly manner. And the more empowered I am, the better I usually feel. This is particularly true on a collective level: When we, as a group, have the feeling of being able to achieve something, it motivates us immensely. The extent to which basic income influences these factors is not yet the subject of research.

There is another link between basic income and the environment that is currently being debated: work hours.

Gerhard Reese: The fundamental idea here is that basic income allows us to invest less time in gainful employment and instead lead a more conscious life, in other words, we will think more deeply about the things we consume. The idea is logical in that it actually requires significantly more cognitive and time resources to behave in a climate-friendly manner. Basic income would have positive effects on the climate if it stimulated this sense of awareness. ●

“The more empowered I feel, the more willing I am to act in a climate-friendly manner.”

“Unconditional Basic Income enables deceleration and enables sustainability.”

Adrienne Göhler Publicist and curator

What will it do to our climate if we change our society?

As founder of the association “Mein Grundeinkommen” Michael Bohmeyer has been gathering experience and perspectives on how basic income works for 6 years. At the same time, the question of its impact on the environment is becoming ever louder.

Whoever has more money spends it. The higher the economic status, the higher the ecological footprint. This is despite the fact that more affluent people have a higher than average awareness of sustainability. So it seems counterproductive to put money in the hands of everyone. However, would money paid out unconditionally possibly be consumed in a less climate-damaging way than a performance-based income? So far there is no research on this.

Proponents hope that basic income could turn climate policy on its head. Instead of sanctioning negative behaviour, it could ensure that people feel better emotionally, which would enable them to act in a more climate-friendly way. Indeed, consumption has an emotional dimension, says economist Nico Paech. It is often a matter of short-term rewards, for example, compulsive shopping as a form of distraction from an increasing lack of direction.

A meta-analysis of British researchers summarising 151 studies on materialism and well-being found that the more people value material goals, the more unhappy and dissatisfied they are with their lives. Depression, anxiety disorders and drug abuse tend to be more common among people who care about the values of consumer society. Some psychological studies suggest that the connection could also be the other way around. That people are materialistic, precisely because they feel insecure. They then use the intoxication of consumerism as a coping strategy.

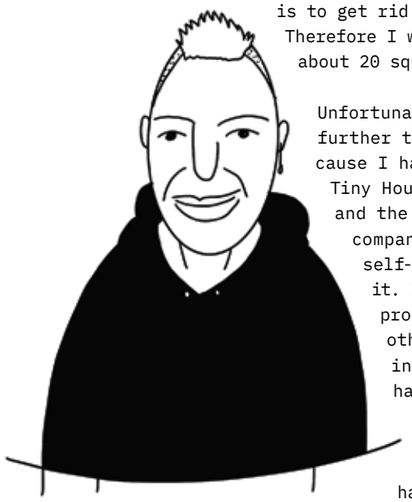
So could basic income, remove the breeding ground for widespread materialism, by simply promising security and increasing well-being? Some political scientists even speak of a cultural change and a lifestyle that is less driven by commodities when it comes to basic income. Those who have to sell themselves less on the market would also consume less.

In any case, it might be possible for basic income recipients to work less, which would be one of the biggest opportunities for CO_2 savings. Climate reversal will probably only succeed if we learn to sometimes voluntarily go without. Nevertheless, discussions on prohibition are conducted with such an irrational doggedness, that it almost appears as if they are less about the products in question and more like the discussions themselves are a coping strategy for everyday stress. Could the necessary debates on bans be conducted more constructively and quickly if everyday stress were to be reduced for everyone?

“More and more people are becoming aware that we should consume differently – and basic income can help with this.”

Jonas’ year of basic income ended in February 2020. He had many plans for the money. His biggest project: Building a Tiny House. He hasn’t achieved that so far, but he has taken a much bigger step towards sustainability and not just for himself.

I have always been a dreamer or rather a utopian. Basic income didn’t change this, but it did give me the opportunity to better exploit my own potential. As DJ “Klabautermann” I was able to focus more intensively on my music and pursue my love for nature and the urge to live sustainably. Basic income has helped me a lot in this respect. I could pay for good and fair trade products with it. But my real focus is to get rid of unnecessary stuff and only own things that are close to my heart. Therefore I want to build myself a Tiny House – a house in the smallest space of about 20 square meters with only the bare essentials on board, but also mobile.



Jonas participated in the draw for “Mein Grundeinkommen” and won

Unfortunately I haven’t built the house yet, but this year I may have come further than if I had thrown myself headfirst into the building project. Because I have used the extra time and money to learn. I am co-founder of the Tiny House Group in Bamberg, visited the Tiny Living Festival in Wendland and the Tiny House Fair in Karlsruhe and then did an internship with the company Wohnwagon in Austria. I am now employed there and work everyday on self-sufficient Tiny Houses. Sure, it would have been cool to just go for it. Instead, I have taken things slowly and can continue with my building project step by step and with solid knowledge. Until then, I will help other people to live more sustainably and realise their dream of living in a Tiny House. The main thing is that thanks to the basic income I have more money at my disposal and I am getting closer to achieving my dreams.

Basic income has taken away the feeling of material scarcity that has been with me all my life and helped me to see the world with a clearer view. I wish everybody could experience this! Basic income is a necessary step towards a free and highly developed society. More and more people are becoming aware that we should consume differently – and basic income can help with this. This is because when our livelihood is secured, we can think about even more growth or change.

What exactly is time prosperity?

Basic income enables every person to have enough resources to try out a life beyond the constraints of work and consumption. He or she can reduce his or her working hours and become a time-wealthy person – and discover the richness of a life in which there is enough time to repair things instead of buying new ones, to grow food instead of importing it, to travel by train instead of flying. Ecological action takes time.

Fertile ground.

Researchers are proposing a basic agricultural income so that farmers are not driven to financial ruin by sustainable management.

Agriculture has changed: It no longer involves a little farm surrounded with colourful fields and the squealing pigs in the barn. It has become a huge industry with endless monoculture fields and factory farms. More and more people are demanding that agriculture changes and becomes more ecological. Even the farmers themselves. But it's not that simple. This is because they often only have one choice: Either they exploit themselves or nature.

Researchers Timothy MacNeill and Amber Vibert from the University of Ontario have evaluated a surprising proposal in their study on the relationship between basic income and the environment: a sectoral basic income for farmers. This could help workers, by providing them with a sustainable income, to become less vulnerable to rising prices for arable land, extreme weather conditions and the enormous global competitive pressure in food production. The researchers refer to the Canadian farmer and activist Aric McBay, who called for such a pilot project in 2018. "The majority of farmers in Canada are about to retire – and although food production is a public service, few get as much pay as a civil servant." An unconditional basic income would motivate young people to get involved in agriculture again. The stable revenues would help them to operate more sustainably in the long term with regard to soil, water and biodiversity.

This year in South Korea, basic income will be paid to almost half of all farms that have been registered as farmers or fishermen with their respective provincial government for at least three years. The aim is to close the ever-widening gap between town and country, as life as a simple farmer has for decades become increasingly unattractive. The fear is simply that we will soon no longer be able to produce anything edible.

The proposal recalls the concept of "solidarity farming", where several private households bear the costs of an agricultural holding and in return receive its crop yield. It has been shown that, with this secure income provided by a community, farmers devote themselves almost exclusively to organic farming, experiment with new forms of cultivation, use seed-solid varieties and promote soil fertility. Since they are no longer under constant pressure to produce certain quantities, they experience more opportunities for decision-making in their everyday work. More and more young gardeners and farmers are opting for such independent farming, with small farms, colourful fields and sometimes even squealing pigs.

of all Germans want to know.

In order to find out what an unconditional basic income can achieve, we are launching the Basic Income Pilot Project.

Source: CIVEY, 2020

Building blocks of the research.

There are and were numerous attempts with different basic income models. The comparison shows: No other project had such favourable conditions for researching the effects of a basic income as consistently as the Basic Income Pilot Project.

As it not only explores how money affects the working morale of individuals, but also what social consequences it has (Study 1), how it can be financed (Study 2) and which pilot projects make sense for Germany (Study 3).

“In Finland we have tested the basic income only on unemployed people and cannot make generalisations about the effects it would have. The Basic Income Pilot Project will find out what effect it has on other parts of the population and finally shed light on the situation for political leaders.”

Olli Kangas Leader of the Finnish case study

1974–1979
Dauphin, Canada

1982
Alaska

2008–2009
Otjivero-Omitara, Namibia

2011 – 2012
Madhya Pradesh, India

2016–2028
Give directly, Kenya

2017
Utrecht, The Netherlands

2017–2018
Finland

2021–2024
Basic Income Pilot Project, Germany

For everyone
Accessible to all citizens and not only the unemployed/people in need

Unconditional
The money is guaranteed and cannot be cut, no matter how an individuals living situation changes.

Liveable amount
The money is enough to live with dignity wherever you are.

Civil Society
The project is independent of party interests and political changes of direction.

With financing concept
Not only is additional money given away, but how the basic income could be refinanced is also being tested.

Let’s talk about FACTS ,Baby.

How meaningful is the pilot project?

The pilot project is a randomised controlled study that provides a causal link between basic income and behaviour. This is compared through a treatment group (with basic income) and a comparison group that is as similar as possible (without basic income). Depending on the data available from the received applications, the two groups are put together in such a way that they are socio-demographically as diverse as possible and at the same time homogeneous enough to ensure that effects have occurred because of the basic income and not because of statistical error. 120 persons in the treatment group are sufficient for the results to be evident for this group, but the results will not be applicable to the whole of society.

Various scientific publications discussed the problem of the limited duration of basic income experiments. The best evidence on this subject was provided by one of the US experiments on basic income carried out in the 1970s. The recipients believed that the experiment would last 20 years, but it ended after only 9 years. These recipients did not behave significantly different from other groups that took part in shorter experiments.

What would be the next step on the path of knowledge?

The above-mentioned limitations of our pilot project could be partially removed if the state were to implement a long-term, regionally comprehensive pilot project. Such experiments are currently calling for referendums in Berlin, Bremen, Hamburg, Schleswig-Holstein and Brandenburg, which have each successfully overcome the first hurdle. If citizens were to vote in favour, governments would have to research basic income experiments with 10,000 people and using a variety of financing models.

More info: expedition-grundeinkommen.de

What we can find out:

- Individual changes in behaviour and attitudes in all areas of life
- Individual effects on labour supply, wages and job choice
- Indication of whether the effect of the basic income comes from more money or from the unconditional provision of basic social security
- From this we can derive the following: Basis for the calculation of financing models

What we won’t be able to find out:

- The effects of long-term basic income
- Changes in production and consumption
- Changes in prices due to wage changes
- Change in values and culture
- Change in perception due to state payments
- Effects of the taxes required for financing

The people behind the pilot project.

The Basic Income Pilot Project was initiated by the non-profit association **Mein Grundeinkommen e. V.** . It is the first research experiment on basic income to be carried out in Germany.

Mein Grundeinkommen e. V. has been conducting experiments with a 1-year basic income of 1,000 euros per month since 2014. Over 650 people have already received money. Based on the findings of this practical test run, hypotheses were formulated and the DIW Berlin was asked to test them in a scientific context.

Mein Grundeinkommen e. V. runs the website of the pilot project and coordinates the monthly donations of the many thousands of supporters of the project.

Press inquiries for the founders:
presse@pilotprojekt-grundeinkommen.de

Photo: Benjamin Gross

Maheba Goedeke Tort Concept and research coordination, **Janine Busch** Project management,
Michael Bohmeyer Project development & speaker, **Miriam Witz** Press and public relations

The polling institute **pollytix** creates the online questionnaires, collects the data, maintains the panel and guarantees data protection.

Rainer Faus Managing Partner at pollytix,
Leonie Schulz Senior Consultant at pollytix

Basic income is being researched.

The Basic Income Pilot Project is a joint research project between **Mein Grundeinkommen e. V.** and the **Deutschen Institut für Wirtschaftsforschung (DIW Berlin)**. The DIW Berlin has been one of the leading economic research institutes in Germany since 1925. It researches the connections between economic and social sciences in socially relevant fields.

Empirical social research methods are used to gain insights into issues such as work and employment, subjective well-being and pro-social behaviour.

Press meetings and interview requests:
diw@pilotprojekt-grundeinkommen.de

DIW BERLIN

Photo: Benjamin Gross

Sandra Bohmann Research Associate at the Infrastructure Socio-economic Panel,
Prof. Dr. Jürgen Schupp Senior Research Fellow DIW Berlin

Behavioural economics research

Explanatory models of classical economics, according to which people only work if they are rewarded for doing so, are no longer sufficient when it comes to basic income. The methods of behavioural economics are used to investigate any possible changes in decisions and actions.

Jun. Prof. Dr. Frederik Schwerter
Scientist at the University of Cologne

Psychological research

Human decision making is a complex process. Dr. Susann Fiedler from the Max Planck Institute for Research on Collective Goods will be monitoring the participants in the pilot project in order to research the influence of basic income on attitudes and behaviour.

Dr. Susann Fiedler
Head of the Economic Cognition Research Group,
Max Plank Institute for Research on Collective Goods

Qualitative research

If the unconditionally paid basic income has any impact, it should be recorded as precisely as possible. This is done through qualitative interviews with the test subjects, which are then compared with the quantitative methods.

Prof. Dr. Antonio Brettschneider
Technical University of Cologne
Faculty of Applied Social Sciences
Research Center “Autonomous Spaces in the Welfare State”







One project,

138.515

Sponsors









The Basic Income Pilot Project is financed by thousands of private individuals, who help to make this independent, non-partisan research project possible with a total budget of over 6 million euros.

You too can become a sponsor by making a donation:
pilotprojekt-grundeinkommen.de/spende

Know the subject.

The debate about basic income often mixes the **truth**, **assumptions** and **misunderstandings**. An overview.

“Basic income is not affordable.”

Basic income is a monthly liquidity advance, which is not paid back via taxes by those who cannot afford it. Most people in Germany have over 1,200 euros per month at their disposal even without basic income. All others will continue to receive “social welfare” as before but in the form of the basic income, which they do not have to pay back.

“Basic income gives money to people who don’t need it.”

Basic income is not an additional sum of money, but merely an unconditional advance. To a certain extent, its payment continues to be linked to need and income, but only retrospectively. This is because high earners have their basic income deducted in the form of taxes. In the end, only those who need the money keep it.

“Basic income is not a promise of salvation.”

Basic income does not solve all our problems, but aims to put us in a position where we can solve them ourselves. Basic income itself has no ideology and does not provide answers. Instead, it creates the possibilities and the individual freedom needed for change.

“Spain and Italy have now introduced basic income.”

Due to translation errors, the term basic income has crept in over the past few years for what is actually basic social security provisions. What was introduced on a permanent basis in Italy and in Spain during the Corona crisis is low level social assistance with access restrictions and sanctions.

“There is already basic pension, parental allowance, ALG 1, child benefits.”

At present, half of all people in Germany already live on private or public benefits, while the other half work. Why don’t we give those who want to and can afford it the guarantee of a secure livelihood too? Why is this linked to age, parenthood or unemployment and not a fundamental right?

“Everything will be more expensive because of basic income!”

Since basic income does not involve additional money, it does not generate inflation. Nevertheless, some prices could rise because, for example, employees in low-paid industries with lousy working conditions would no longer be exploited. Wages could rise and thus products could become more expensive.

“Basic income doesn’t mean more money, it means more security.”

Although everyone will initially receive more money per month (1,200 euros) in contrast to Study 1 of the pilot project, everyone would also have to pay more tax than at present if basic income were a reality. As a result, the income of most people would then remain roughly the same. Nevertheless, this numbers game still has an effect: Psychological safety for everyone.

“Basic income has already been tested in Berlin.”

In 2019, the Berlin Senate approved a pilot project for a “solidarity-based basic income.” It places 1,000 long-term unemployed people in jobs financed by the state. In this respect it has nothing in common with an unconditional basic income, but rather a new version of one-euro jobs.

“Hartz IV is already a basic income.”

Yes, but it is not unconditional, since if you do not behave in accordance with the rules, the subsistence level is sometimes reduced to zero. Hartz IV is also not without prerequisites: Only those who prove in advance that they are needy will receive it. The Hartz IV standard rate (432 euros) plus rent (≈ 400 euros) plus health insurance (≈ 345 euros) is at basic income level.

“Work must be worth it.”

Many working people already have less money at their disposal than people who are not working. The low-wage sector is growing steadily. Once you receive benefits, you are only allowed to earn a little extra income and therefore have no incentive to make any changes to your situation. It’s different with basic income: Everyone has enough and those who work have more.

“Basic income abolishes the welfare state.”

No basic income model would want to abolish the welfare state, because of course even with basic income there would be people who need more than 1,200 euros, there would be a need for further training programmes, family support and child care. However, it could replace complicated money transfers, such as BAföG (Federal Training Assistance Act), Hartz IV, unemployment benefit, basic pension, child benefit, parental benefit, start-up grants and in some cases pensions.

Can we turn this around?

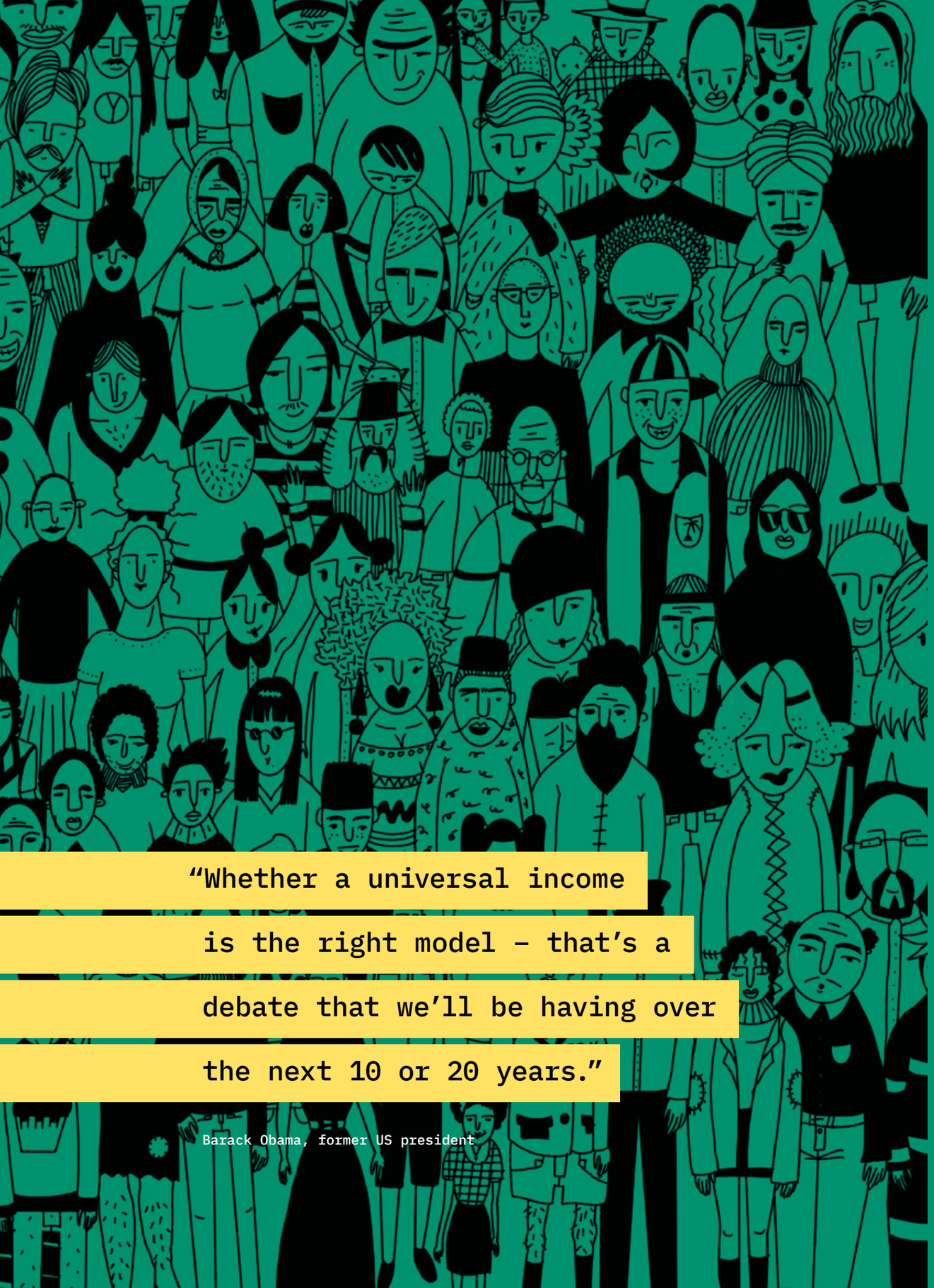
“Today the rule is: First the work, then the money. We are not given trust and support is only given in times of need.”

Miriam Witz Press and Public Relations for the Basic Income Pilot Project

Photo: Benjamin Gross

“With basic income, you don’t have to wait until you are in dire straits to get protection. This trust makes us productive and motivated.”

Janine Busch Project Manager for the Basic Income Pilot Project



“Whether a universal income is the right model – that’s a debate that we’ll be having over the next 10 or 20 years.”

Barack Obama, former US president

Imprint

Mein Grundeinkommen e.V. (non-profit)
Am Sudhaus 2
12053 Berlin

Legally responsible for content / Project Manager of the Basic Income Pilot Project
Janine Busch
janine.busch@pilotprojekt-grundeinkommen.de
+49 176 45 91 32 49

Conception and design
Christoph Keller, Jonas Lieder
kellerundlieder.de

Editorial staff
Greta Taubert, Michael Bohmeyer

Title Illustration
Maria Engelhardt

Copy editing
Magdalena Sporkmann, Kirsten Herrmann

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Druckerei Lokay e.K.
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64354 Reinheim

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