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How to Green a UBI

Contribution to GTI Forum [Universal Basic Income: Has the Time Come?](#)

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One criticism of the general idea of a basic income from an ecological point of view is that, with the larger mass purchasing power especially from the less affluent, more environmentally damaging things will be bought and produced. In his [opener](#), Guy Standing rebuts this argument and explains how a basic income can be financed partly with eco-taxes. This would avoid such harmful effects and, to the contrary, support ecological transition—establishing, indeed, an ecological basic income.

But isn't financing a basic income through an increase of eco-taxes unjust for the poor? Don't they suffer the most under higher costs in their daily lives, since the user fees for raw materials or emissions via the series of value-added processes finally flow into the shops? The exact opposite occurs: those with higher income consume more and therefore usually have greater resource consumption. They pay on average more, while through a per person distribution they only receive an average profit; in other words, they are "net-payers." Those of lower income and those with many children are the beneficiaries. It is the same as with other taxes on income, heritage, wealth, capital, etc., paid back as a basic income. The wealthiest third or fourth will be the net payer. A basic income would not be paid from the "middle classes" as some critics say.

An eco-tax paid back (or, in other words, an ecological basic income) leads us out of the dilemma of economic instruments being used for environmental policies without social compensation: if it is too small, there will be no impact; if it is too big, it could hit the most vulnerable hard. Here it is the opposite: the higher the eco-tax rate, the bigger the redistributive impact.

In effect, a basic income would be financed by taxation of a special type of consumption which burdens our environment and runs counter to the goal of sustainable development. But does not the success, i.e., less resource usage, undermine the financing as some critics argue? For this “problem,” there is a simple solution. If less scarce or problematic resources are used, the revenue could nevertheless remain stable or even grow, because the tax rates could be increased. This is exactly what environmental scientists propose: to increase eco-taxes step by step, so that technological and cultural progress in order to reduce resource use will go on. It is important for both firms and people to know in advance the long-term price path of resources, so that they can develop alternatives in time. Maybe in the future we will reach a balance with an acceptable resource extraction, which continuously generates enough funding for the basic income.

High eco-taxes are also part of the Green New Deal, an answer to both economic and ecological crises, which has grown in popularity in Europe in the last decade. But even if state-supported innovation and investment in green technologies via both directives and price regulations will lead to greener products, this idea remains within the frame of productivism. That is, when the generation of new (green) work and new (green) products is seen as an advantage by itself.

But there are also ideas for a green economy beyond (endless) growth. Consuming differently is only one component of a resource-light lifestyle. The other is consuming less. A basic income would also support this by making the reduction of economic activity in general more feasible.

Firstly, it reduces the coercion to undertake ecologically problematic economic activities, because it gives everybody more financial security. How many products long known to be ecologically or socially damaging or socially disputable are accepted, if not required? For people to embrace an ecological transition of the economy to a far-reaching change of workplace and careers, they need a mindset of “change without fear.” While, overall, Green New Deal conceptions try to ally such fears with the prospect of new (green) employment, the concept of a basic income consists of the guarantee of social security—a social security independent of economic growth.

Secondly, with a basic income, the parts of consumption that only take place to compensate for hard, undesirable, often alienated work will decline. The satisfaction at work will rise, because people will only take part in positive productive activities and working relationships. Compensatory consumption will decline.

Thirdly, a basic income would make society more equal. Equality both as an economic reality and as a social feeling is not only important for the acceptance of environmental policies. More equality will also reduce status consumption. The less steep the societal ladder is, the smaller is the felt need to show your neighbors what you are able to buy.

Thus an ecological basic income will be a “friendly environment” for both technical ways (efficiency, closed circles) and non-technical ways (sufficiency, cultural change) to fight ecological crisis. But—again—doesn’t the possible anti-productivist effect undermine the financing? Of course, the size of a basic income couldn’t remain stable in an economy with a shrinking GDP. But the question is whether this is necessary. If, to a certain extent, labor switches from gainful work to non-monetary work, i.e., subsistence or community work or, in other words, to less capitalism, we would not need the same size of a basic income anymore. We could, for example, couple the amount of the basic income to the amount of the GDP.

In summation, we can say that an ecological basic income as a core of a redistributive, libertarian, and anti-productivist Green New Deal would not only constitute a higher level of welfare state but also a higher level of environmental state. The structural problems of labor as well as the structural problems of environmental overuse would be solved according to the “basic idea of equal liberties”—following an idea of German philosopher Claus Offe. A fundamental “instrument” for this purpose is the ecological basic income: It would function as a growth brake the people can use—if they want so.

About the Author



Ulrich Schachtschneider is an energy consultant, lecturer at University of Magdeburg, and freelance social scientist. His research focuses on social-ecological transformation, societal roads out of ecological crisis, and policies of degrowth. He is a member of the board of Unconditional Basic Income Europe (UBIE). He is author of such books as *Freedom, Equality, Serenity: With the Ecological Basic Income out of Growth Coercion* and co-editor, with Frank Adler, of *Post Growth Policies*.

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