Expert Comment

Universal Basic Income – not really an alternative

Ralf Krämer (2019)
Universal Basic Income – not really an alternative

Ralf Krämer

The idea of a Universal Basic Income (UBI) sounds intriguing at first: everyone should be guaranteed an income which covers their basic needs. A rich society like Germany could certainly afford it. Who would argue with that? Taking a closer look, however, there is a great deal of uncertainty as to what exactly is meant and how a UBI should work and be financed.

A UBI is intended to be an income that the government pays unconditionally to each person, regardless of what income that person receives or which assets they possess. There is no means testing and each person receives the same amount (children possibly less). The UBI should be high enough to cover basic needs and guarantee social participation. The search for gainful employment would not be required. Some concepts provide for a minimum length of stay in Germany, given the associated immigration incentives, before any financial claims can be made.

The concepts of a UBI are based on various justifications and claims that need to be critically scrutinised. It has to be examined whether these claims are not mere myths, or if, in fact, unexpected and/or reverse effects can be expected. A basic problem is that usually only the supposed effects of a UBI on the individual level are considered. But socially, economically, and politically, nothing is "unconditional," and these conditions can neither be ignored nor "decided away" if you want to implement a UBI.

UBI discussion in Germany

This article explores ongoing discussions about establishing a UBI in Germany. Germany is a country that is highly developed and has a well-developed and efficient social welfare system – despite of all the problems and all legitimate criticisms, which range from
inadequate performance, strict needs testing, and penalties for breach of duty (this applies to recipients of social assistance), to hidden poverty by non-uptake of benefits. This system is characterised by social insurance schemes, which involve the vast majority of the population - in particular, dependent employees and their families - which provide benefits on the basis of contributions paid.

A large number of initiatives in Germany are committed to UBI and cooperate in the German Basic Income Network. These initiatives represent a broad spectrum of different UBI concepts. Although UBI is occasionally discussed by trade unions, especially in the run-up to congresses, it does not play an important role in practical work. None of the unions in Germany has included UBI in their union programmes. Rather, trade unions focus on representing the workplace-related interests of their members. Politically, unions are committed to safeguarding good work and securing and strengthening existing social security systems and welfare state services.

The demand for UBI is also not supported by any of the major political parties in parliament. Although there are individual and sometimes prominent members in all these parties who are calling for UBI - especially in the Left Party and Greens, there are strong support groups and broad discussions on UBI - there is no majority vote for UBI. There are only a few small parties with a share of votes in the one-percent area or lower that are committed to UBI. However, there is a broad public discussion in media, associations, and science.
Structure of social benefits in Germany: The red area of the diagram includes social insurance benefits (pensions, health insurance, nursing insurance, and unemployment insurance, as well as accident insurance). The blue areas include other social security benefits such as youth and welfare assistance, pensions for former civil servants, social benefits for the long-term unemployed, child benefits, etc.

Emancipatory and neo-liberal UBI concepts

Within the UBI movement, two different camps can be distinguished. On the one hand there are emancipatory and politically more left-leaning models with ambitious goals: reduce poverty and marginalization, abolish means-testing of recipients, encourage income and wealth redistribution from top to bottom, decouple gainful employment from social benefits, upgrade activities outside paid work, end compulsory work and the economic growth model, and finally, introduce an emancipatory alternative to wage labour.

Accordingly, the target level of UBI for Germany is at least €1,000 per month. Some demands go up to €1,500, plus additional costs for special needs. Pension and health insurance as well as employee rights and benefits, as well as other social rights and contributions are to be maintained. Only child benefits and needs-based social benefits would be eliminated.
On the other hand, there are neo-liberal models advocated by board members of various major technology companies. These fulfill the strict criteria for UBI only partially, but are nevertheless discussed as basic income concepts. Within these concepts, the payment adds up to about €1,000 a month. Health insurance would have to be paid separately.

<table>
<thead>
<tr>
<th>Variants of the unconditional basic income</th>
<th>Left-leaning variants, e.g., BAG social assistance initiatives, Attac AG Enough for everyone, LEFT Party working group basic income.</th>
<th>Neoliberal variants, e.g., Citizens’ money a la the FDP (German liberal Party), Althaus (CDU, German conservative party), Straubhaar, Werner.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Covers basic needs, €1,000 – €1,500 per month (children possibly less).</td>
<td>At best social benefit level, max. €1,000 (deducting at least €200 for health insurance).</td>
</tr>
<tr>
<td>Social benefits</td>
<td>Remain.</td>
<td>Would be abolished.</td>
</tr>
<tr>
<td>Minimum wage, tariffs, labour rights</td>
<td>Remain.</td>
<td>Would largely be abolished.</td>
</tr>
<tr>
<td>Financial needs per year and financing</td>
<td>Gross €900 - €1,500 billion, eliminating some social benefits and “bureaucracy”, higher taxes on income and capital.</td>
<td>Gross €500 - €900 billion, saving largely on social security and social benefits, higher VAT and/or other mass taxes.</td>
</tr>
<tr>
<td>Distributional impact</td>
<td>Redistribution from top to bottom is intended.</td>
<td>Lowering wages, reducing social standards for the benefit of employers and insurance companies.</td>
</tr>
<tr>
<td>Feasibility</td>
<td>No chance.</td>
<td>Rather unlikely.</td>
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</table>

These ideas are justified with supposedly greater freedoms for all. But the real beneficiaries of such a restructuring would be entrepreneurs, who would be freed from annoying social obligations and non-wage labour costs. New and profitable business areas would open up for private insurance companies. These companies have been annoyed by the fact that hundreds of billions of Euros in social contributions paid annually by social security funds pass them by without them being able to make a profit on these contributions. The free market economy and entrepreneurship would thrive.
**UBI against poverty and exclusion?**

A central argument for UBI is that it allows a society to overcome poverty. In order to attain that goal, means-testing and sanctions for breaches of duty in the present welfare system would be abolished. But to combat poverty and address the undersupply of benefits, improved means-tested benefits would be much more appropriate than a flat-rate UBI for all. In the case of illness or disability, as well as the case of high rents in expensive residential areas, significantly higher benefits, but also means tests would still be required. Housing costs are individually and regionally very different. Moreover, it wouldn’t be fair for people living in a debt-free home to receive as much UBI as people paying high rents. In addition, singles would be disadvantaged compared to couple or family households that have lower housing costs per person.

Improved means-tested services can be designed without repression and in compliance with fundamental rights. Indeed, social assistance benefits must be significantly increased, the retaining of assets and wealth despite receiving social assistance has to be increased, and sanctions should be abolished. Hidden poverty could be reduced to a large extent through a practice that actively addresses and offers benefits to groups of people at risk of poverty, if necessary, beyond the level of a flat-rate UBI. Priority measures for reducing poverty continue to be increasing wages and reducing precarious employment, as well as improved benefits under the statutory pension scheme.

Some UBI supporters already regard the identification and assessment of neediness as repression or discrimination. But the control of income, assets, and needs is required for a just welfare state. Society has the right to claim that public funds be targeted and that taxes be raised according to financial capability. In the case of a UBI, the control and collection of income and wealth for taxation would be even more comprehensive and more stringent in order to raise the immense additional funding required.
The crucial difference between UBI and improved means-tested benefits would not be more efficient poverty reduction. The main difference is that the majority of households with sufficient income would receive a UBI, which they would finance through exorbitantly higher charges. A UBI would be a redistribution mechanism with serious side effects that would be paid primarily to people who do not need it.

**Funding problems**

Funding a UBI is a point in which models differ. Some rely on massively increased VAT and excise taxes, while others rely on taxes on income and assets or capital movements. Additionally, models rely on newly-introduced taxes, on revenues from state equity interests in companies, or on a mix of them. Underlying assumptions and calculations are sometimes difficult to understand and to a considerable extent questionable or unrealistic. A profound and extensive intervention like the UBI would in any case result in significant and unforeseeable economic and behavioural changes.

For a realistic assessment, one must make some basic assumptions. Let us assume a UBI of €1,000 per month for everyone residing in Germany in 2016. This UBI would cost almost one trillion, that is, €1,000 billion per year (€1,000 per month x 12 months x 83 million inhabitants = €996 billion). These numbers are based on price-adjusted sizes and assume that the price-adjusted gross domestic product and the national income remained unchanged - which is an optimistic assumption. In the following, we will consider funding options for emancipatory-oriented models of a UBI, as they are also supported in some trade union and leftist circles. The following considerations apply regardless of specific funding models, and are intended to reveal conditions and limits of concepts.

For emancipatory UBI models, only tax-financed income payments such as basic social security, social assistance, child benefits, parental allowance, and preferential student
loans are likely to disappear. In 2016, spending on these benefits was €100 billion, including related administrative costs. Thus, only a little more than 10% of the social benefits listed in the social budget would be eliminated, and thus only a small fraction of the costs of a UBI could be financed. Contributory benefits from social insurance and pensions for civil servants and other public benefits should not be removed. Otherwise, a UBI would not be unconditional and would not be fair. The benefit claims of insured people would in fact be expropriated; they would be discriminated against, if e.g., "privately" earned income and assets and insurance claims would not be used for funding.

After deducting the above-mentioned social benefits, such a UBI would then cost around €900 billion annually. This is the same amount that communities, states, and the federal government spend together annually. Alternatively, this equals the expenditures of the entire welfare state in Germany. The introduction of such a UBI would increase the “government quota”, that is, the ratio of state and social security expenditure to gross domestic product, from 44% to 73%.

These €900 billion would have to be redistributed each year as a continuous income stream. It therefore makes no sense to refer to private assets, state money creation or bank-rescue funds (that once raised the government debt by some €300 billion in the aftermath of the 2008 financial crisis), as references or benchmarks. In order to fund a UBI without gradually devaluing all incomes (including the UBI itself) through constantly increasing inflation, other incomes or their purchasing power would have to be reduced to a similar extent by increased levies.

All incomes are ultimately based on added value created by gainful employment. Even if some production processes were fully automated, this would still hold true with regard to the economy as a whole. The primary source of all income is the sales revenue of goods produced (including services). The resulting net value added –that is, after the deduction of intermediate consumption and consumption of fixed capital – is distributed
between wages (compensation of employees) on the one hand, and entrepreneurial and property income on the other hand. Social benefits and UBI don’t provide additional income, but have to be financed by redistribution through taxes and contributions. Ultimately, taxes and contributions must always be borne out of the national income or reduce the purchasing power (as indirect taxes) of these primary incomes. The work done in private households or on a voluntary basis is indispensable, but it cannot contribute to the financing of a UBI.

The idea that financing a UBI could be based on machine or robot taxes is misleading. Machines do not pay taxes. It would always be the owners who would have to pay the taxes. Even the argument that wealth today is based primarily on fixed assets, infrastructures, and knowledge that has been historically developed, doesn’t stand up to scrutiny. New value added and income is only created if they are used by human labour for the production of new goods and services. A value-added levy that would impose additional charges on the use of machinery and other capital stock would merely modify the tax base. This could be useful as a complementary funding pillar of the welfare state, but would not come close to financing a substantial part of UBI.

The primary task of distribution should still be to maintain or increase the share of wages in national income (wage share). Thus, funding for the welfare state would be secured. If this wouldn’t be possible and the wage share fell sharply, it would be quite illusory to compensate for this through heavily increased corporate taxes. This is because workers are able, with the help of trade unions, to fight to increase their own wages but not for increased corporate taxes.

Some claim that financing a UBI should be secured by levying the rich, and through income from capital assets, but that is unrealistic. Regardless of how UBI is financed and taxes are raised, it is inevitable that most of the expenditure required for a UBI would have
to be borne by the broad mass of wage earners. This is illustrated by the financial magnitude of gross national income.

![Bruttonationaleinkommen Deutschlands 2016](image)

*German gross national income 2016: The yellow and red areas of the diagram show wages, wage taxes, and social contributions; the blue area shows profits and property income, as well as their respective taxes; the black portion shows consumption of fixed capital, and the green area shows the primary income of the state (mainly VAT).*

Profits and property income are far from sufficient to finance a UBI, and cannot be skimmed off unrestrictedly in a capitalistic system. With regard to the international free movement of capital, this approach is thus practically not feasible. In addition, profits and property income also include the earned income of self-employed and rental values of owner-occupied housing. A doubling of all existing taxes on profits and property income would yield about €160 billion more revenue annually; the remaining €740 billion would have to be funded from additional sources.

This means that the tax burden of the employees would have to be increased enormously, either directly or indirectly via VAT and excise duties. By comparison, total
wage tax receipts in 2016 (before deduction of child benefit) amounted to €223 billion; VAT at a rate of 19% yielded €219 billion.

In 2016, gross wages totalled €1,311 billion. The sum of all income from pensions and other retirement income and social insurance is about €387 billion. In total, this amounts to €1,698 billion. In order to finance the mentioned €740 billion through income taxes, all gross wages and pensions would have to be taxed from the first euro earned by an additional (!) 44 % (740/1,698 = 0.44). The average gross wage burden of taxes and social contributions would more than double from 34% today (16.4% wage tax, 17.4% social contributions) to 78%.

For an alternative financing of €900 billion of UBI expenditure solely through VAT, the VAT revenue would have to be quintupled, which would lead to massive price increases. In order to pay a UBI of €1,000 per month (price-adjusted), these price increases would have to be offset by a correspondingly higher UBI. In turn, this would require significantly higher VAT rates. In the end, VAT rates of the order of 150% would be required.

The incentives for undeclared work/illegal employment and tax and social contribution evasion would increase substantially under these conditions. All sales revenues as well as paid work and income would have to be monitored nationwide. After all, regular gainful employment and economic value creation must continue at the same level as before and be fully covered by taxes and social contributions. Otherwise, the sources of revenue to finance a UBI would be progressively undermined. The assumption that these
exceptionally high rates would not result in any major evasive reactions and negative economic developments seems overly-optimistic.

The design of UBI in the form of a "negative income tax" would not change the problems it presented. This would only mean that for persons with higher income levels and corresponding tax deductions, the UBI would be offset against their tax payment. However, that would not change the fact that the corresponding tax regulations would have to be applied both with enormously increased rates and without tax exemptions, and correspondingly little would be left over from every additional earned Euro.

On the other hand, neoliberal concepts seem more realistic. Costs of the UBI would be lower; funding would be predominantly raised by eliminating social benefits, including pensions, unemployment insurance, statutory health and long-term care insurance, and other benefits. The remaining funding gap could then be closed by a hefty VAT increase.

However, social insurance claims based on earlier contributions enjoy high protection in Germany and could not easily be revoked. A transitional period of at least 40 years would be necessary because all claims already acquired would have to continue to be serviced. Therefore, the implementation of a UBI model is very unlikely. With regard to a progressive reduction and privatization of social security benefits, neo-liberal UBI policies pose a significant threat because they point in that direction. A neo-liberal UBI would severely penalise the majority of German employees and many people depending on social benefits, especially those who suffer from health impairments or are facing above-average housing costs.

**Distributional effects**

The entire burden or relief effect of a socially oriented UBI can only be speculated. Such an effect depends heavily on the level and structure of the UBI, the starting conditions of the
respective household, and the change in income from work. In addition, UBI concepts are all the more unrealistic the more they cater to socially-knitted concepts.

First of all, the higher tax burden on households would be offset by an increase in disposable income through the UBI payment. In any case, people whose disposable income was previously lower than the UBI would benefit. This would concern the unemployed as well as a part of the pensioners. The exact number would depend on the amount of the UBI to be paid. Without financial assistance in special circumstances, benefit passports, broadcast-fee exemption, education vouchers, co-payment exemptions, social housing promotions, etc., many would be made worse off, in particular those who have special needs.

The majority of the population in Germany (around 50 million, or 60% of the population), lives in households whose main source of income come from wages. These citizens account for about 95% of all wages and would therefore have to bear the bigger part of taxes. But since the working population would also have to finance most of the UBI for the non-working population, the total number of employee households would bottom out. Households with only one working person or with several children could be favoured. The progression of taxation, which means that high-income people pay higher tax rates, would decrease because tax rates would have to be massively increased for all. Even if the UBI was offset as a "negative income tax", only about 0.20 cents would remain of every additional euro earned. Most people would receive a UBI into one pocket and have it pulled out of the other pocket through higher taxes.

Socially-minded UBI supporters claim that people would no longer accept poor working conditions and low pay; that's why wages would rise. But this expectation misses out on how labour markets and wage formation work under capitalism. The wages of the various employee groups have been enforced on the basis of productivity levels and through
historical conflicts, and fixed in collective agreements. Also, the relationship between supply and demand in the respective labour market is important.

For the vast majority of employees, a UBI would not be enough to maintain their standard of living. Low-skilled people would still have to compete for a limited number of jobs, which would result in low wages. Only people with qualifications in high demand could individually enforce relatively high wages.

Employees having an equal footing with employers while engaging in dialogue can only be established for the vast majority of employees if they organise in unions. It is empirically proven that, above all, strong unions and collective bargaining systems keep wage inequality at bay. Unions and bargaining systems restrict competition of workers in the labour market and thus change the balance of power in favour of wage-earners. Without unions and collective bargaining, the bargaining position of employees depends crucially on whether there is a surplus or a shortage of workers with the respective qualifications.

There are strong reasons to believe that a UBI would lead to even greater wage inequality and lower wages for large sections of the workforce. So far, the minimum requirement of a UBI is that wages at full-time employment must at least cover living costs. This is also the main reason for a minimum wage. But with a UBI this could no longer be asserted because every wage would have the character of being a supplement to the UBI.

A UBI would in fact be the universal combination wage as a wage subsidy for the companies. Even today, persons with part-time jobs and other typical "low-income jobs" are usually paid very poorly, even though their household or total incomes would often cover living costs without this additional income – at least at the low level that a UBI could cover. But even at this level, just a few hundred more Euros per month would be rewarding and would improve overall income noticeably. Probably, many more employees than today would be prepared to work for a very low wage. The neoliberal UBI concepts state openly that they want to eliminate minimum wages, workers' rights and collective bargaining.
In socially-oriented BGE concepts, on the other hand, maintaining the minimum wage and other employee rights is demanded. It is doubtful, however, whether there would still be sufficient societal forces under the pressure of a UBI to maintain the current level of labour law protection.

Many precariously self-employed workers are already forced to offer their services at dumping prices because otherwise they would not receive any orders. The scope for dumping would be even greater with a UBI. The destructive competitive pressure on companies that deal with collectively-agreed or even minimum-wage conditions would be massively tightened. If more people work in part-time and mini-jobs or as solo self-employed with a UBI, this would increase the pressure on wages and reduce workers' willingness to organise. Collective bargaining and unions would be weakened and the income gap would become larger. In addition, given the extremely high tax rates required, incentives to work in the "informal" sector would be much higher than today. However, this would progressively undermine wage structures, the funding of the welfare state, and the UBI itself.

By contrast, the profit claims of companies and investors would not be reduced by a UBI. Here, the pursuit of the highest possible return would continue to be the decisive criterion for investments.

**Importance of gainful employment**

The basic income movement claims that society is reportedly increasingly "going out of work". A policy of full employment is widely rejected or declared misguided. Labour-saving digitalisation makes a UBI as a decoupling of paid work and income unavoidable.

But overall, productivity is growing weaker today and not stronger. In the 1970s, the average increase in productivity in Germany was still 4% per year; in the 1980s and 1990s it was over 2%; since 2000, the average increase in productivity has only amounted to about
1%. In other countries the trend is similar. Digitalisation will only have limited impact on this overall trend. The number of persons in employment and the volume of paid work are rising. The International Labour Organization estimates that in 2021, 3.4 billion people worldwide will be gainfully employed, of which over 55% are wage-workers, compared to 2.6 billion and just under 48% in 2000. In developed countries, the vast majority of women and men tend toward engaging in paid work. The fairy tale of the "end of work" will not prove to be true in the coming decades.

Where unemployment has risen sharply, as in southern Europe or in eastern Germany after German unification, it has been the result of economic crises and not of productivity leaps. However, a big problem is that especially part-time work and precarious, insecure, and low-paying jobs have increased. Still, even this is not necessarily a consequence of technological progress, but rather of neoliberal (de-) regulation of the labour market.

A decoupling of gainful employment and income is possible for some individuals, but not for everybody. A UBI would be a cash benefit geared towards allowing recipients to purchase something with it. But all the goods and services that can be bought are produced through gainful employment. At the same time, sales revenues are the primary income, divided between wages and profits and property income. All other incomes, including a UBI, are based on the redistribution of a portion of these incomes. Anyone who spends money to buy something sets employment in motion. He or she encourages others to work for pay, not because they enjoy it or because they find it particularly useful, but because they satisfy the needs of those who pay them.

Like every cash payment, a UBI would be based entirely on commodity production through gainful employment. A UBI would therefore by no means put into question the existing system of monetary economy and capitalist commodity production through gainful employment. The assertion that a UBI would be an emancipatory alternative to the obligation
to work and that everybody could then finally occupy oneself with meaningful things is not realistic. The more people are excluded from gainful employment, the more others have to work to produce a certain amount of goods and services as the commodities and income resulting from this.

The argument put forward that many people would spend more time on volunteering, family work, and self-determined activities is ambiguous. If the total amount of paid work shrunk, it would undermine the economic and financial basis of the UBI. The same applies to decreasing employment as a result of automation or economic crises. A UBI would neither be an emancipatory alternative to paid work, nor could it be a solution in the face of rising mass unemployment.

With regard to social exclusion through unemployment, a UBI would not be a solution anyway. A regular cash payment is not enough to ensure social participation and integration.
The importance of decent work is fundamental, and should as far as possible correspond to the abilities and inclinations of the people doing the work. Work also provides social inclusion, recognition, and positive self-affirmation. Good work provides an income that is even higher than a comfortable UBI. This is also the central concern that both employees and the unemployed express. The central problem is mass unemployment, which excludes people and exerts enormous pressure on them. A UBI could mean that mass unemployment is no longer seen as a social problem and political task. Unemployment could then be considered as a free choice of people who prefer to live exclusively from the UBI.

Many UBI supporters claim that the UBI serves as a recognition and factual payment for educational, caring, nursing and other reproductive work that was previously free of charge. But in fact, they would also be unpaid with a UBI and thus remain subordinate to gainful employment. The disadvantaging gender division of labour is likely to be even more strengthened, telling mothers to stay at home with the UBI acting like a care allowance for all. The extension of qualified professional work to socially necessary services and thus the equalization of the employment opportunities of women and men would be counteracted. At the same time, a UBI by its unconditional nature would be a devaluation and disregard all forms of work, not just paid work. A UBI would also contradict basic justice claims because it would be justified neither by needs nor considerations.

**Political risks of UBI and the alternatives of ver.di**

Many UBI followers have a salvation-like expectation regarding the effects of a UBI; a variety of problems could be solved in one go. However, these claims do not stand up to critical scrutiny. In addition, UBI supporters lead this discussion without a realistic assessment of the social and political balance of power. Trade unions, on the other hand, must have a realistic view of the world and assess what could actually emerge in social and political processes.
Emancipatory UBI concepts prove to be illusory results of pure wishful thinking. The higher the UBI, the higher the necessary tax burden. Thus, it deepens economic and political problems and contradictions.

Which social and political forces would have an interest and be able to enforce such a UBI? The impoverished and precarious parts of the population who might benefit from it have no power to enforce such a political project. On the other hand, for employees, heavily increased tax rates and controls, as well as pressure on workers' rights and wages would be the outcome.

The social and political power of companies and large capital owners would not be diminished by a UBI. In addition, it is very unlikely that the doubling of the taxation of profits and property income assumed in the calculation example could be realised. To put it differently, if social forces were able to enforce this, why have they not long ago improved basic social security and minimum income and publicly subsidised employment, which are much easier to implement with much smaller amounts of redistribution?

Moreover, the concept of a UBI fits very well into an increasingly neoliberal, disorganised society. Individuals would be encouraged to sell their skills to the market without union representation and to face "employers" individually, allegedly backed by the UBI. Job loss, social division, inequality, and exclusion would no longer be an issue. People suffering from these problems would be soothed by a UBI at the expense of the entire population. Social organisation and regulation would be presented as a restriction of freedom. The conditions for unionisation and collective enforcement of interests would be more difficult, and the bargaining power of wage-earners weakened. Moreover, the domination of capital would be strengthened. It is feared that income distribution with a UBI would be even more unfair than it is today.
Particularly blatantly, such developments would be driven by the neoliberal concepts of a UBI. The poor, the sick, and the socially disadvantaged would fear further deterioration of their circumstances. The problem is that such neoliberal concepts of UBI are the only ones that have a realistic chance of being implemented; they would be much easier to finance and are supported by parts of the capitalist class. The movement for a UBI could prove to be a kind of Trojan horse for the implementation of a radicalised version of neoliberalism. Indeed, a UBI distracts from the trade union and political struggles that are actually taking place, and thus has considerable potential to create cleavages in social and political movements.

The alternatives favoured by trade unions are clear: the primary objective must be to ensure the right to good and properly paid work for all. This is more about far-reaching liberation at work than it is about the liberation from work altogether. The emancipatory alternative to poor employment and the unfair distribution of income and wealth is the humanisation, democratisation, shortening, and fair distribution of all socially-necessary paid and unpaid work, as well as a fairer distribution of income and wealth. This can only be enforced through collective, legal regulations and strong unions.

Work that doesn’t pay enough to provide a living for the worker must be replaced by better work. Wage dumping through temporary work, bogus project work, and precarious solo self-employment, fixed-term work, mini-jobs, and involuntary part-time work must finally be stopped by the legislator. The collective bargaining and enforcement power of trade unions needs to be strengthened. The minimum wage must increase. Unemployment has to be combated; in particular, the long-term unemployed should receive more assistance and be provided with good and collectively paid work.

All workers and all people living in Germany have to be protected from social risks by social security systems. Indeed, the level of benefits of the statutory pension must be significantly increased so that older people and those with reduced earning capacity can
largely maintain their standards of living and do not have to depend on basic social security benefits. Social assistance must be designed in a such a way as to avoid poverty and to be carried out without sanctions.

Public services and services in general must be available in all sectors at a high quality level and free of charge, or at reduced prices. There is a great deal of unmet needs in education, health care, housing, culture, leisure, and sports, etc. Attending to these needs would create many hundreds of thousands more meaningful and collectively rewarded jobs.

All of this remains undone, however, because of inadequate funding and the resistance of corporations and the rich, as well as due to neoliberal political forces that undermine fair taxes and social policies. If we could successfully tax higher incomes, profits, and assets more heavily, as argued by the emancipatory models of UBI, these funds should be used to strengthen and develop the welfare state more equitably. The united service union ver.di is working together with many allies to make this aim come true.

Ralf Krämer
Department of Economic Policy, United Services Union [ver.di], Germany