

Summary

On the 5th of June 2016, a fourth of the Swiss population voted in favor of a citizen federal initiative proposing to introduce the principle of the Universal Basic Income into the Swiss Constitution. After this significant milestone and based on the resulting fresh understanding of the UBI principles by the population and the political actors, actions have been taken to launch some pilot experiments in the country.

BIEN-Switzerland has actively supported the UBI initiative as well as other initiatives of the same type which may ease the introduction of the UBI at any level. Besides this activity, our organization proposes introductory lectures on the UBI and issues surrounding it, the setting up of experimental pilot projects, workshops on the themes of possible methods of practical implementation, benefits/limits/drawbacks of experiments and the formulation of a likely new federal initiative.

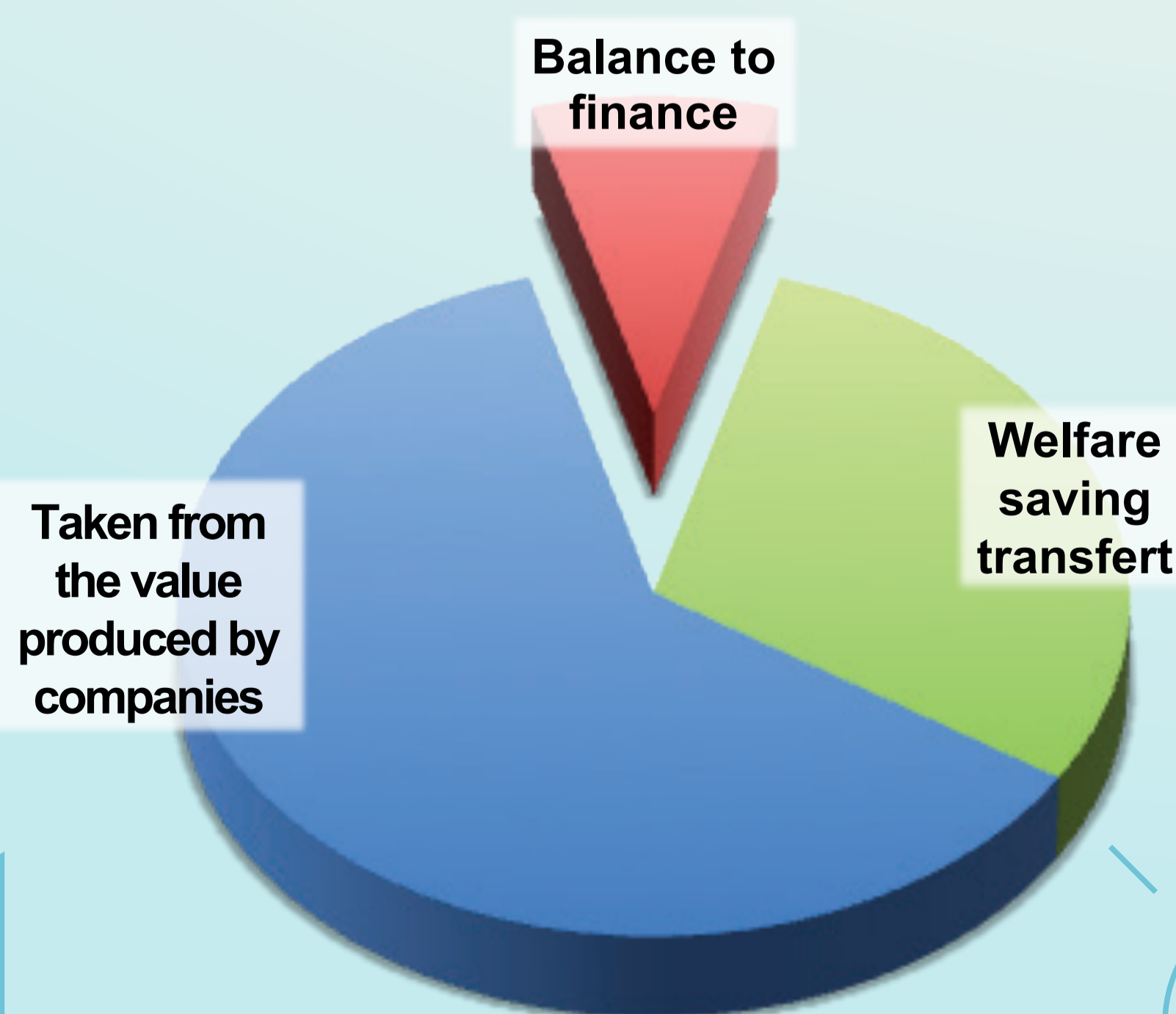
Implementation workshop

On the way to thinking about the formulation of a possible new UBI federal initiative and taking into account the political debate that emerged from the first one, it became evident to us that there was a need to clarify the concrete form of the UBI we're supporting. Politically neutral in principle, a UBI can tend towards the left or right political wing in its application, depending on the amount of the basic income, the social benefits that it replaces and the source of its financing. In Switzerland, the level of regular social benefits is quite high. In the anonymity of the voting booth, many take their decision based on whether a new law would make them gain or lose money ^^ . A recurrent question of people is whether the UBI would be added to any other income, would replace it until its current level is reached or if it could even deprive them of their higher current benefits.

As a result of a series of workshops, BIEN-Switzerland defined an outline for an acceptable UBI application :

- It must provide a realistic living income
- It will replace the ordinary social benefits only up to their current amount
- In comparison to the total amount of income today, it would represent a rise of income equal to the amount of the UBI for the lowest wage range, the added amount decreasing toward higher wages and eventually reducing to zero in the upper wage range.

Financing such a UBI model would be easy since about 90% of its total cost would be covered by a transfer of charges from the welfare system as well as a tax on the value produced by the corporations compensated by a proportional lowering of the wage mass. The 10% remaining would be straightforward to cover and represents the actual effort to increase low incomes.



Federal initiatives

In the Swiss semi-direct democratic system, popular federal initiatives like the UBI are proposals of new constitutional laws. Undersigned by 100k or more citizens, such an initiative is automatically set to be submitted to the vote of the whole population. It's the usual way for mere citizens to introduce new ideas at the level of the political debate of the country.

The UBI federal initiative was carried by individuals only. Except for the Greens, all the other politic parties had positioned themselves against it. Roughly, the right wing worried about the costs and the likely decline of work incentive, the left, about a drop in existing social benefit allowances and the loss for vulnerable unemployed people of the support given by social workers.

After the UBI initiative, BIEN-Switzerland supported the Sovereign Money initiative, which has been submitted to the popular vote on June 10, 2018 and approved also by about a fourth of the population. This initiative made provision for making the whole population benefit from the benefits of monetary creation in the form of a sort of UBI. Finally, we're co-working today on the preparation of a third initiative, a micro-tax on every electronic financial transaction which could be one of the most straightforward ways to finance the UBI.

Pilotes experiments

A reason why a large part of the population rejected the UBI initiative was that it was reluctant to go into such a new and never experienced system. Hence, many people would like to see studies and experiments on the UBI be set up today. Both are complementary, but the benefit of the latter is controversial. Indeed the introduction of the UBI leads to a complete and permanent shift in the economy, work culture and social system of a country.

At BIEN-Switzerland, it is generally thought therefore that experiments limited to the individual level for a short time period can only lead to corrupted and little incentive results for the UBI, even more so if the sample of people is not representative of the whole population, e.g., involving only currently unemployed persons.

But since on the other hand, a pilot can also contribute to making the UBI a favorite subject, we're cautiously supporting the launch of such experiments in Zürich, Geneva and Lausanne, teaming up mostly with the Greens. In the latter city, the municipality has already settled in favor.

