



## **An alternative to Universal Basic Income: Universal Basic Employment**

L.S.,

As a response to my previous “[we are all refugees now](#)” newsletter, I have received a number of requests to elaborate on what distinguishes Universal Basic Employment ([UBE](#)) from Universal Basic Income ([UBI](#)). This article is thus about addressing labor market disruption and unsustainability. It describes a possible social solution for the more than [one in six](#) young people worldwide, who have currently stopped working due to the Covid-19 crisis, but is equally relevant for the ongoing 4<sup>th</sup> Industrial and Artificial Intelligence Revolution, which will bring [structural change](#) to jobs and job offers for most of us.

What is UBE? It is Refival’s vision that “everyone is entitled to contribute to society and to be financially rewarded for their engagement”. In practice, this means to redefine the term “employment”. Instead of using it in the current very narrow sense of a “paid job”, Refival considers every positive contribution to society valuable and qualifying to be remunerated with income. Such compensation is earned regardless of whether the executed task is at the moment classified as entrepreneurship, work, volunteering, care for children/sickly/elderly, or any type of education leading to personal skills development. Participation in any of these activities gives people the right to a basic salary. *In short, UBE is about engagement.*

The fundamental difference between UBI and UBE is that UBI focuses on supplying an unconditional basic income to everyone; it considers this to be the primary empowerment factor and mainly uses an individual freedom based economic outlook. UBE instead takes the perspective of the right to participate in society as its starting point and dominantly uses a social community angle of view.

Whereas UBI gives people money without any strings attached and supposes that this will lead to their self-fulfillment, UBE assumes that more is required than money alone and that a basic income as such does not guarantee any equal or balanced community involvement of people. UBE considers (free choice based) participation in society to be a basic human right. This is in line with the International Covenant on Economic, Social and Cultural Rights (ICESCR) article [6](#) and the Charter of Fundamental Rights of the European Union article [15](#). Other than UBI, which mainly focuses on individual entitlement, UBE presumes a certain level of reciprocity between society and its members.

UBE relates to a better sharing of the available economic resources and workload ([inclusion sourcing](#)) and focuses on optimizing every citizen's personal development and contribution potential to society. Like UBI, it does create a financial safety-net for everyone, but the offered income security is a consequence or outcome and not (as UBI promotes) the primary source of independence.

Indirectly, this leads to another difference between the two: UBI *requires* solidarity for transferring “no strings attached” tax-money to perceived potential “non-participants”, whereas UBE's goal to make everyone's contribution visible and transparent should, in turn, *generate* solidarity. A further related difference is that money given to people allocated for their contribution to society and personal development, can be more easily seen as a society's investment in its citizens, comparing it with “free” money transfers.

UBI and UBE also have a lot in common. Both target to empower people and give them agency over their own lives, respecting human dignity. Each of them creates a basic income for everyone, which should be sufficient to enjoy a decent quality of life. Both fully leave the incentive to earn more than the supplied basic income in place; economies remain market-driven. Both potentially facilitate life-long learning based retraining as a substitute for life-long employment stability and equip individuals with the freedom to improve their skill set and gain access to more satisfactory activities. The two require similar income [redistribution](#) mechanisms to be financially feasible. Last, but certainly not least, both address the issue of protection against [exploitation](#) by increasingly powerful and irregular employers.

Especially in an almost fully transparent – Internet-based – gig economy, the supply of labor can easily surpass demand, [eroding](#) wages. Workers find themselves in unacceptable labor [conditions](#), which they cannot refuse. UBI or UBE enable them to say no and offer thus a much more balanced position to negotiate.

Other than UBI, UBE attaches a string of social reciprocity. Refival considers a society to be more than the sum of its individual citizens. In this context, UBE is neither a social assistance based individual minimum income as [Spain](#) wants to introduce it, nor a public employment or [job guarantee](#) program, or a form of ([restricted](#)) participation income.

Refival's approach is to supply a basic income to every citizen in exchange for a free choice of one's contribution(s) to the community. Instead of "just" supplying or redistributing money to its members, the task of such a society is more advanced and includes the responsibility for democratically defining and generating a sufficiently wide and optimized/maximized spectrum of education and engagement opportunities. Oppositely, unrestricted freedom in the type of individual contribution could theoretically be granted, but in order to balance the interests of its citizens, the society would in that case have to clearly limit the activities it does not want to reward and would likely have to refrain from collective stimulation. Either way, all citizens should be enabled to participate in the future development of their community and at the same time be encouraged to maximize their skills and "contribution satisfaction".

Simultaneously, an engagement-based approach can likely prevent people from entering into an entirely "virtual reality life" without any social connection, as this can already be observed with the more than [1](#) million [Hikikomori](#) in Japan. Only those who are disabled are exempted, for them, a welfare-based solution should be offered.

An objection that is often made against UBE is that it would lead to an extensive bureaucratic monitoring and law enforcement system, whereas UBI would instead dissolve the burden of welfare allocation and administration. Although it is, of course, possible to create a classification system of activities and rewards, this is definitely not what Refival envisions. Its proposition is to use a fairly simple yearly tax return structure and – as this is already common [practice](#) in Scandinavian countries – to make the results transparent/public. Compliance is expected to be voluntary and based on satisfactory social engagement instead of guarded possible tax avoidance. UBE is about stimulation, not about regulation.

UBE has its roots in Refival's frameworks for refugee integration in rural villages in Europe. With refugees being fully welfare dependent for an average of 5 years, and with social support structures in place to provide such financial assistance to them, the main hindrance for refugee integration is to facilitate their participation rather than to supply a minimum income. Instead of labeling refugees as deprived and non-active, providing UBE would emphasize their dignity and stimulate communities to welcome them and value their contribution. Adaptation would be part of the refugees' employment and newcomers would thus automatically become synergetic participants.

Implementing UBE as a bottom-up method to reboot our economies after the Covid-19 crisis could very similarly change the displacement of people into an embracement of their engagement.

Kind Regards,

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