

Citizen's basic income and Kenya

A renda básica de cidadania e Quênia¹

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RESUMO: O Brasil foi o primeiro país do mundo a aprovar lei para instituir, por etapas, uma Renda Básica de Cidadania. Em 1991 apresentei o Projeto para instituir o Programa de Garantia de Renda Mínima. Mais e mais no mundo, há um interesse pela Renda Básica Universal (RBU), com muitas experiências. Dentre elas, as do Quênia. Os resultados de se pagar 22 dólares mensais para os de 18 anos ou mais das vilas rurais tem sido altamente positivos. Maricá (RJ), que pagou para um terço da população, 130 reais mensais a partir de agosto/2019, pagará a RBC para toda a população, 153 mil habitantes, a partir de 2021. PALAVRAS-CHAVE: Evolução; renda básica; experiências positivas.

ABSTRACT: Brazil is the first national in the world to approve a law to institute, step by step, a Citizen's Basic Income. In 1991, I presented a Guaranteed Minimum Income proposal. More and more in the world, there is growing interest and experiences. Among them, in Kenia. The results of paying a Universal Basic Income to all adults with 18 years or more in rural villages are very positive. Maricá (RJ) has started to pay 33 dollars per month to one third of the population last August. By 2021, the Universal Basic Income (UBI) will be paid to all inhabitants.

KEYWORDS: Evolution; basic income; positive experiences.

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Brazil was the first nation in the world to approve a law to institute a Citizen's Basic Income. As a Senator from 1991 to 2015, I presented in my first term, a bill

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to introduce a Guaranteed Minimum Income Program through a negative income tax for all adults, in April 1991. The bill passed in the Senate in December 1991 and got a favorable report in the Finance Committee of the Chamber of Deputies. From the debate about that matter, other proposals occurred to introduce a Guaranteed Minimum Income Program related to Educational Opportunities for poor families, as long as their children were going to school, or Bolsa Escola Program. In 1997, under the Government of President Fernando Henrique Cardoso a Law was approved for the Union to finance 50% of the expenditures of the municipalities that introduced programs along these lines. In 2001, a new law was sanctioned for the Union to pay 100% of the expenditures of all the municipalities in Brazil that adopt programs along these lines. Six months later a new law was passed for poor families to have a guaranteed minimum income as long their children took the vaccines according to the calendar of the Ministry of Health, the Bolsa Alimentação Program, a food allowance scheme. Then came the Gas Aid program. At the beginning of his term, President Luiz Inácio Lula da Silva introduced the Zero Hunger program, a fifty reais magnetic card for poor families that could be spent only on food. However, in October 2003, President Lula decided to unify and rationalize those four programs into what was called the Bolsa Família Program.

The Bolsa Família Program evolved from 3.5 million beneficiary families, in December 2003, to 14.2 million families in July 2014, during Dilma Rousseff Government. This contributed significantly for diminishing extreme poverty and inequality. The Gini coefficient, that measures inequality from 0 to 1 (the nearest to 1, the greater the inequality) decreased gradually from 0.589 in 2002, to 0.49 in 2014. During Michel Temer Government, the number of beneficiary families diminished somehow but it reached around 14.2 million families at its end, December 2018. During his government, there were no diminishing of inequality and extreme poverty. Since the beginning of Jair Bolsonaro Government, January 2019, the Brazilian economy is showing high rates of unemployment and no progress up to now in measures to diminish poverty, except the announcement that from 2019 on the Bolsa Família program will pay an extra 13th payment in December, with no readjustment in the value of the benefit up to now. In May 2019, the number of beneficiary families in the Bolsa Família Program is 14.339.058, the highest up to now, corresponding to 88,55% of the 16.192.058 families with income per capita up to R\$ 178.00 per month. If we consider around 3.5 members in each family, this means that almost one fourth, 50.2 million, of the 209 million inhabitants of Brazil are participating in the Bolsa Família program. These are the norms of the Bolsa Família:

Every family in Brazil with an income per capita up to R\$ 178 (US\$ 44.70) per month has the right to receive a complement of income that starts with R\$ 89.00 if the family per capita income is up to R\$ 89.00; plus R\$ 41.00 for each child below 15 years and 11 months, up to five children; plus R\$ 48.00 for one or two adolescents between 16 and 18 years of age. There are conditionalities: if the mother is pregnant, she must go through health examinations in the official health facilities until the baby is born, having the right to get R\$ 41.00 for the baby dur-

ing the 9 months of pregnancy; the parents must take their children up to six years of age to the public health posts to take the necessary vaccines according to the calendar of the Ministry of Health; children from 7 to 15 must be in school at least 85% of the classes; adolescents must be in school at least 75% of the classes. The Brazil Carinhoso program complements the Bolsa Família in the following way. If you sum up the family income plus the benefits of the Bolsa Família and divide by the number of members of the family, and it does not reach R\$ 89.00 per capita, the Federal Government will complement with the necessary amount to guarantee at least R\$ 89.00 per capita. That means that today, if all poor families are really registered in the Bolsa Família program, we do have a guaranteed minimum income in Brazil of R\$ 89.00 (US\$ 23.40) per month.

Since the nineties, I have studied more and more about the income transfer programs and interacting with my friends of Basic Income Earth Network (BIEN). I became persuaded that even better than the Negative Income Tax with conditionalities like in the Bolsa Família program is the Unconditional Citizen's Basic Income. Therefore, as a Senator I presented a new Bill of Law in December 2001 to institute a Citizen's Basic Income to all residents of Brazil, including foreigners living in Brazil for five years or more, sufficient to attend the basic needs of each person, with no conditionalities. The rapporteur, Senator Francelino Pereira, suggested me that I should accept a paragraph saying that it would be introduced step by step, under the Executive criteria, taking into account first those most in need, therefore, such as the Bolsa Família does it. In such a way, it would be consistent with the Law of Fiscal Responsibility, for each expenditure, the necessary revenue. I thought about the recommendations of James Edward Meade in his book about Agathotopia, where he says that we should reach our objectives in a gradual way, so I accepted and, thanks to it, it was approved by the National Congress and sanctioned by President Luiz Inácio Lula da Silva, in a beautiful ceremony at the Palácio do Planalto, with the presence of Professor Philippe Van Parijs, on January 8, 2004.

During the last presidential election, several candidates had registered in their programs that they would proceed towards the Citizen's Basic Income, especially Fernando Haddad, of the PT (Worker's Party) who went to the second round last October but lost the election won by Jair Bolsonaro with 55% against 45% of the votes in the second.

President Jair Bolsonaro is considered as very conservative, his Minister of the Economy, Paulo Guedes is a very liberal economist who got his Ph.D. at the University of Chicago and they are now trying to persuade the National Congress to make a deep reform in the Social Security System, especially regarding pensions. It happens that President Jair Bolsonaro, just after his victory, has solemnly swear to God and the Brazilian people to obey the Constitution. Article three of the Brazilian Constitution says that "the fundamental objectives of the Republic of Brazil are to build a free, just and solidary society; to guarantee the national development; to eradicate poverty, marginalization and to reduce the social and regional inequalities; and to promote the well-being of all without any preconception of origin, race, sex, color, age and any other form of discrimination." In Bolsonaro's program registered

in the Superior Electoral Court it is said that his government “will guarantee a minimum income to all Brazilian families, as liberal thinkers like Milton Friedman argue in favor for it”.

Well, in my interview with Milton Friedman in April 2000 for my book, “The Citizen’s Income, The Exit is through the Door”, he says that the Basic Income is equivalent to the Negative Income Tax. Like Philippe Van Parijs argues in his book with Yannick Vanderborght, “Basic Income: a radical reform for a free society and a sane economy”, the most effective way to provide a minimum income to all is the Unconditional Basic Income. Therefore, if President Bolsonaro really wants to obey the Brazilian Constitution, the best way will be to institute the Citizen’s Basic Income as it is so clearly established by the Law 10.835/2004, approved by all parties in the Senate, December 2002, and in the Chamber of Deputies, in December 2003, when he was a Federal Deputy and did not say anything against it.

More and more, I became enthusiastic about the Citizen’s Basic Income, mainly after my recent trip to Kenya where I visited the rural villages where all adults are receiving a Universal Basic Income in an pioneer experience initiated by GiveDirectly, as we report here, as well after being in Maricá, the 150.000 inhabitants city of the State of Rio de Janeiro which is on the way to pay all its citizens a Basic Income by the end of 2020, as we also report here.

A GOOD POVERTY ERADICATION EXPERIMENT IN KENYA

This January, we discovered an extraordinary pioneer effort towards poverty eradication in poor rural villages in Kenya: the transfer of Universal Basic Income (“UBI”). Through the initiative of GiveDirectly, an institution created by four Harvard University and MIT, Silicon Valley and other organizations that contributed to the formation of a US\$ 30 million fund to benefit about 20,000 Kenyans in the most important and thorough study about UBI. In the visits to rural villages in the Kisumu and Siaya areas, the reports were unanimous in stating that with UBI there was a very significant improvement in the quality of life of all the beneficiaries.

Upon learning that the GiveDirectly organization was carrying out this experiment in Kenya, we decided to write a letter to them, in which I, Eduardo Suplicy, introduced myself as the author of Law 10.835/2004, which establishes, in stages, the Unconditional Citizenship Basic Income for all people in Brazil, including foreigners residing here for five years or more. As honorary co-chair of BIEN – Basic Income Earth Network (basic income global network), I said I would like to know about the experiment, a request accepted by Caroline Teti, GiveDirectly’s external relations director in Nairobi.

Before arriving in Kenya, we attended the conference on “An Intellectual History of Basic Income” at the University of Cambridge, along with some of the main members of BIEN, such as Philippe Van Parijs, Karl Widerquist and Louise Haagh. Debates have matured the notion that the introduction of basic income is a way of building a “free society and a sane economy,” a concept that is already in the title

of the most recent book by Philippe Van Parijs and Yannick Vanderborght (Harvard University Press 2017, and in Portuguese, Cortez Editora, 2018).

In several parts of the world, UBI experiments have been implemented or are ongoing: Alaska (since 1982), Macao (since 2008), Otjivero, Namibia (2009-2011), Madhya Pradesh, India (2011-2012), Finland (2017-2018), Ontario (Canada), Stockton (USA), Grenoble (France), Barcelona (Spain), Rheinau (Switzerland), some cities in Holland and, in 2019, part of Italy. The meeting also showed that the concept of basic income is based on the theoretical work of social scientists belonging to the broader political spectrum and affiliated with several schools of thought – Thomas More, Thomas Paine, Bertrand Russell, John Maynard Keynes, James Edward Meade, Martin Luther King Jr., John Kenneth Galbraith, Milton Friedman, Josué de Castro and Celso Furtado.

Most recently, personalities such as Bishop Desmond Tutu, Peace Nobel Prize Winner economist Muhammad Yunus, Facebook founder Mark Zuckerberg, and former US President, Barack Obama have emphasized the importance of considering Basic Income as a way to eradicate poverty and provide each person an economic and social foundation. UBI expands opportunities for personal development by generating greater freedom of choice; especially changes introduced by technological advancements affect the productive sectors globally, such as the advance of artificial intelligence, automation, and robotics.

WHAT IS GIVEDIRECTLY

GiveDirectly was created by Paul Niehaus, Michael Faye, Rohit Wanchoo, and Jeremy Shapiro, a Harvard University and MIT graduate group. They knew cash transfers had strong evidence of impact, but couldn't find an organization that accepted donations for direct giving. The idea was to get the resources donated directly into the hands of the beneficiaries, without intermediaries. In December 2012, GiveDirectly received the Google Global Impact award of US\$ 2.4 million. In August 2015, another US\$ 25 million donation from Good Ventures, a private foundation created by Facebook co-founder Dustin Moskowitz and his wife, Cari Tuna, reinforced the experiment. Therefore, with a fund of more than US\$ 30 million in donations from institutions and companies in California's Silicon Valley and people around the world, GiveDirectly chose rural villages in Kenya to host the experiments of UBI, Universal Basic Income.

Kenya is among the poorest countries in the world. A product of the arbitrary sharing of the African continent decided at the Berlin Conference (November 1884 to February 1885) among the then leading European powers of the 19th century (United Kingdom, Germany, France, Belgium and Portugal), the country had its new frontiers defined and delivered to England. The consequences we know are: serious exploitation of natural and human resources, with irreparable economic, social and political damages, which persist to this day. Kenya became an independent state only in December 1963, and a Republic the following year. Jomo Ke-

nyatta, considered the founder of the Kenyan nation, was elected president and re-elected for the term from 1969 to 1974. By a referendum in August 2010 and the adoption of a new constitution, Kenya is now divided into 47 counties, similar to the Brazilian states. Since 2013, the president is the son of Jomo Kenyatta, Uhuru Kenyatta, re-elected for the second term in November 2017.

Kenya has a population of 50.6 million. It is the 47th largest country in the world. The official languages are English and Swahili, but there are 42 different ethnic groups with their own languages. 83% of the population are Christian, 47.7% Protestant and 23.4% Catholic. Muslims are 11.2%. The life expectancy is 64 years. 73% of the population are less than 30 years old. Gross Domestic Product is US\$ 62.722 billion and GDP per capita (2014), US\$ 1,461. For comparison purposes, in 2014, Brazil's GDP was US\$ 1.73 trillion and GDP per capita was US\$ 12,026.62. In 2017, the Human Development Index was 0.590, while HDI of Brazil was 0.759. The Kenya Inequality Gini Index 0.485 is lower than Brazil's 0.549 in 2016. There are 1.5 million Kenyans with the AIDS virus, HIV.

Kenya is the most important economic, financial and transport center of East Africa. According to the World Bank, it is a low-middle-income country, but it has a growing business middle class. The unemployment rate was 11.47% in 2017. Agriculture is the largest employer, occupying 75% of the population, and is responsible for exporting coffee, tea, and more recently, flowers to Europe. The Kenyatta administration has been making efforts to attract external investments in infrastructure and in many different areas. The service sector is one of the main drivers of the economy, especially the sophisticated tourism of luxury safaris. Meanwhile, the activities of the Somali jihadi group Al-Shabaab, which joined the Al-Qaeda terrorist network in 2012, haunt Kenya. On the eve of our arrival in Nairobi, a grenade attack and the use of hostages killed 21 people in the Hotel and Business Complex, where we stayed.

The capital Nairobi is the most populous city with 3.5 million inhabitants, 6.54 million if considered the suburbs. The country is on the Equator and has its name originated from Mount Kenya, the highest point in the country and the second highest mountain in Africa, where there are glaciers. The climate is hot and humid along the coast of the Indian Ocean, with rich wildlife in the savannas through the interior. Lake Victoria, Earth's largest tropical lake and second largest freshwater lake, is southwest, shared with Uganda and Tanzania.

President Uhuru Kenyatta, in his annual message to the National Congress on December 12, 2018, on Jamhuri Day, announced "four major goals": food security, affordable housing, manufacturing and affordable healthcare for all. One of the priorities is to develop the industry, with the call for the "buy Kenya, build Kenya" philosophy. Although the president has referred to the eradication of poverty numerous times, he did not mention the income transfer programs being carried out in rural poor villages on the initiative of GiveDirectly. Kenyatta urged Kenyans to fight the monster of corruption, formed by elite of bureaucracy. Among 180 countries, according to the Transparency International Ranking, Kenya is 143rd. The only

African countries with the worst outcome – Somalia, South Sudan, Libya, Eritrea, Burundi and Zimbabwe – are politically more unstable and in ethnic conflicts.

HOW THE UBI PROGRAM WORKS

As soon as we arrived in Nairobi, we met GiveDirectly's officers and had a dialogue with the coordinator of the team of 34 people who work in the call center, responsible for the quarterly contacts with each of the 21,000 beneficiaries of the UBI who are over 18 years old. In 2016, GiveDirectly started the experiments to provide Universal Basic Income payment in Kisumu, Siaya and Bomet counties. More than 630,000 people in these counties live below the poverty line, defined by the Kenyan government as less than US\$ 15 a month per household member in rural areas and US\$ 28 a month per household member in urban areas.

The researchers who follow the GiveDirectly experiment evaluate the impact of the UBI on economic outcomes (income, consumption, assets, and food security); the use of time (work, education, leisure, involvement with the community); risk actions (choosing to migrate or start a business, for example); gender relations (in particular the empowerment of women); and aspirations of life. MIT Sloan Associate Professor Tavneet Suri is member of a team to study the effects of UBI implementation in Kenya. Suri conducts research along with Abhijit Banerjee, a MIT professor; Alan Krueger, a Princeton professor, President of the Council of Economic Advisers to the President Barack Obama, who visited the Kenyan villages, unfortunately died last March; Paul Niehaus, professor at the University of California at San Diego; and Michael Faye, president of GiveDirectly.

For the execution of the experiment, 295 villages (14,474 residences) were randomly selected, divided into four groups:

1. The Control Group: 100 villages that do not receive payments.
2. Long Term UBI or Universal Long-Term Basic Income: 44 villages in which adults (over 18 years old) receive sufficient income for basic needs, about US\$ 0.75 per day, or US\$ 22 per month for 12 years.
3. Short Term UBI or Short Term Universal Basic Income: 80 villages where adults receive sufficient income for basic needs, about US\$ 0.75 per day or US\$ 22 per month for 2 years.
4. Lump Sum UBI or Cash Payment of Universal Basic Income: In 71 villages, families receive the UBI in the fixed amount of US\$ 1,000 divided into two payments of US\$ 500.

The transfers are made through M-Pesa, a mobile money service created in 2007 by Safaricom, a Vodafone telephone company in Kenya. The platform, safe, fast and cheap, enables financial transactions, such as deposits, transfers and savings, by cell phone, without the need for a bank account. The service allows the transfers of the UBI directly to the beneficiaries, without passing through interme-

diaries, a serious focus of corruption. Mobile money operates via software on a SIM card that reduces transaction costs. The only requirement made by the Central Bank was the registration of all Kenyans with access to the M-Pesa system, which means mobile, and “pesa”, money in Swahili. The deposit notification is sent by SMS.

Small retailers in rural villages across the country were trained and became agents of M-Pesa services. Beneficiaries can withdraw money or shop at accredited establishments in all villages in Kenya. Those who did not have cell phones were able to purchase a low-cost GiveDirectly device. Today, 80% of the country’s adult population has a cell phone. Between 2013 and 2018, GiveDirectly made the money transfers using end-to-end electronic monitoring technology in four steps:

1. Segmentation: First, it located poor villages with publicly available census data. Then it sent the field team, door-to-door to collect data and enroll recipients.
2. Audit: using independent verifications to make sure recipients were eligible and did not pay bribes to enter the system, including physical checks for back-check, image verification and data consistency.
3. Transfer: recipients received a cell phone, equivalent to US\$ 18.00, normally discounted from the first transfer.
4. Follow up: Finally, the institution GiveDirectly called each recipient to check the receipt of funds, signal problems and evaluate customer service.

IN THE FIELD

From the visits to the beneficiaries of the Kenyan experiment of UBI, we can say that the improvement in the well-being degree of the people is very significant. This was what we were able to witness in all the residences visited and in the dialogue with beneficiaries of UBI. Mothers and fathers spoke of the concern to prioritize the education of children and adolescents, ensuring attendance and stay in school, which became possible thanks to the UBI, which even helped in the hiring of auxiliary teachers. In general, our respondents stated that they were better fed and with a greater variety of foods.

The benefit of the UBI resulted in people being able to work harder and better, especially because they were able to acquire better working equipment, such as tools, motorcycles to transport people or make deliveries, livestock (goat and cattle) to supply meat and milk, fishing equipment to get more fish in the lake to sell them, land purchasing for vegetable and fruit trees planting, increasing their income. Some families have invested in systems to better capture rainwater or solar energy collectors in order to have electricity. Houses got basic furniture, such as mattresses, sofas, tables, chairs and small electrical appliances, such as a stereo or radio. Straw roofs have been replaced with steel with gutters.

Although the visit experiment may have curbed such behavior, it is important to note that we do not perceive any use of alcohol or other drugs. A study by Innovation Poverty Action¹ (IPA), corroborates our observation, since there was no increase in spending on tobacco, alcohol or gambling. The impression we have actually goes in the opposite direction, that is to say, that behaviors based on solidarity and cooperation among them have been reinforced.

Remarkable was the redefinition of gender roles. Because women also receive the benefit, we hear from them how they feel more freely in deciding where to spend their money, and we record reports of how couples have come to the table on UBI payday to talk about the household budget. Very relevant and frequent is also the organization of groups to join money for a larger purchase or to assume a higher value expenditure. In Kenya, polygamy is allowed. We sometimes see that the UBI contributed to greater solidarity between the wives of one husband, and even among his widows and children.

The agility and speed provided by the digital income transfer system was also fundamental. Each beneficiary is notified by SMS when the transfer is made, being able to make purchases in the M-Pesa accredited establishments, or if he/she prefers, to exchange the credit for money.

What was also noticed in the numerous reports is that there was a noticeable decrease in actions of violence against women, as well as of acts of crime, such as the most diverse thefts in the villages. According to the Health World Association, 42% of the women between 20 and 44 years have registered physical or sexual violence from their partners. Research of Princeton University, February 2019, concluded that in the homes where women received income transfers the proportion of domestic violence has fell 51% and the incidence of sexual violence, 66%. The direct income transfer done in this way has avoided incorrect procedures or characterized by corruption. For Kennedy A.A., elder of one of the visited villages – a sort a judge and head of the community, the basic income benefit of US\$ 22.00 per month, that will be paid for 12 years, for all people with 18 years or more, has brought peace to the families.

For those who want to know more about this Universal Basic Income (UBI) experiment in Kenya and other countries, please access the website <http://www.givedirectly.org>. By doing so, you will be able to get testimonials from beneficiaries of the UBI collected by the people who work in the call center, available to everyone. You will have confirmed the positive impression of this remarkable pioneering experiment on Universal Basic Income. In addition, you will have the opportunity to this remarkable and important experiment. If you would like more information, just write to info@givedirectly.org.²

² The full report on the GiveDirectly experiment in Kenya written by Eduardo Matarazzo Suplicy and Monica Dallari was published on the Basic Income Earth Network website and compiled as part of BIEN Newsflash from May and June 2019. They include program information and the highlights of the interview with beneficiaries of the program telling the authors about how the UBI affects their life

THE BASIC INCOME IN AFRICA

We are happy to see the proposal of the Universal Basic Income gaining more and more strength in Africa. As a senator, I have been present at several conferences in South Africa since the 1990s when the Congress of South African Trade Unions (COSATU) came to defend the Universal Basic Income.

In 2006, I went to the opening of the XI International Congress of BIEN, Basic Income Earth Network, in Cape Town, when the Nobel Peace Prize winner, Desmond Tutu, in a message urged everyone to strive to establish an Unconditional Basic Income of two dollars a day in each country. At lunch, Bishop Zephania Kameeta, president of the Namibian Coalition for a Basic Income, asked us: “What do you think of starting a Basic Income experiment locally?” I said that the earliest experiments of minimum income associated with education in Brazil were implemented in the Federal District and Campinas in 1995.

After this episode, Bishop Kameeta started to raise funds from the German churches and citizens of Namibia for a pioneering experiment from 2009 to 2011 in the rural village of Otjivero (1000 inhabitants, 100 km from the capital Windhoek), where each person received 100 Namibian dollars per month (equivalent to US\$ 12). I visited the village, accompanied by the bishop, in February 2011, and there I witnessed the positive results of the experiment. The dropout rate of 350 children fell from 40% to zero. Families, in view of the modest demand that came to exist for goods and services, began to produce vegetables, breads, bricks and clothes, that is, economic activity increased, self-esteem and feelings of solidarity were high and so on. When we left, people asked me to tell the authorities that they would like the UBI to exist in the whole country.

In Malawi, the government, in collaboration with the World Bank and UNICEF, has an initiative called the Malawi Social Cash Transfer Program (SCTP), which on a conditional basis pays between US\$ 1 and US\$ 10 per person from poor families. Their results are considered positive. Between 2008 and 2009, with the support from Bill and Melinda Gates Foundation, the experiment known as Zomba Cash Experiment was held. The same values were paid unconditionally to families with girls between 13 and 22 years old, in order to verify if their sexual health would improve compared to those who received conditionally. There was a lower incidence of HIV and HPV among those who benefited from both forms of income transfer, but those who were not required to attend school did not have lower edu-

positively. Also, it's possible to find the story about a visit to Barack Obama's grandmother, Mama Sarah Obama. The report is available in two separated parts in the following address:

Part 1 – A Critical Poverty Eradication Experiment in Kenya: <https://basicincome.org/news/2019/04/a-critical-poverty-eradication-experiment-in-kenya/>

Part 2 – Testimony of Kenya's basic income beneficiaries: <https://basicincome.org/news/2019/05/testimony-of-kenyas-basic-income-beneficiaries/>

cational outcomes, demonstrating that it was the economic condition that offered study conditions regardless of the obligation to attend.

Uganda, in addition to income-guarantee programs linked to vocational training for young people, has an experiment led by the Belgian organization Eight, which raised funds to pay a basic income to individuals from 50 families in the village of Busibi, in the interior of the country. € 16 is paid for each of the 56 adults and € 8 for each of the village's 88 children. The objective of the experiment is to check improvement in educational conditions, to measure local development and collective engagement of beneficiaries for two years, between 2017 and 2019. A documentary is produced and released every week on the organization's website. Just like in Kenya, the payment is made through credits through cell phones.

South Africa has developed large conditional income guarantee programs to overcome inequalities in the post-apartheid period. Reports assessing government social policies have proposed adopting Basic Income since 2002. Besides Cardinal Desmond Tutu, South African trade union organizations support Universal Basic Income.

I had the opportunity to be invited to give lectures on the Basic Income at a conference of the Ministers of Social Affairs of Africa in Sudan, as well as symposiums in Mozambique, Morocco and Cape Verde. Many countries have been considering building income guarantee programs, even with conditioning factors. Organizations such as Global Unification International and Southern African Development Community Basic Income Guarantee Coalition carry out campaigns and develop studies focused on the promotion and research on Universal Basic Income, its impacts and challenges in the African context.

VISIT TO BARACK OBAMA'S GRANDMOTHER SARAH OBAMA

On our last day in Kenya, we visited Mama Sarah Obama, Barack Obama's grandmother, at her farm in Kogelo, another rural village. At first, we would have only three minutes to be with her because of her age, 98 years, but we talked with Mama Sarah and Obama's aunt, Marsat Oniango, for almost 30 minutes. Enthusiastic about the conversation, they assured me that they would send to President Obama a letter that I had with me, the same one I had handed over to him on October 5, 2017, during his lecture in Sao Paulo.

I spoke of my enthusiasm when I watched on TV the homage Obama paid to South African President Nelson Mandela on his 100th birthday in the packed stadium of Johannesburg. In that speech, the former US president made an important statement, expressing concern about "artificial intelligence that is accelerating. Now we will have automobiles without drivers, more and more automated services, which will mean the need to provide work for all. We will have to be more imaginative because the impact of change will require us to rethink our political and social arrangements to protect the economic security and dignity that comes with work. It's not just money that a job provides. It provides dignity, structure, a sense of place and purpose. And we will have to consider new ways of thinking about these problems,

such as universal income, review of working hours, how to train our young people in this new scenario, how to make each person an entrepreneur of some level.” I concluded telling my certainty that this positive experiment in the Universal Basic Income in the country of his father and grandfather, whose graves we visited on the grounds of Mama Sarah’s house, will resonate very favorably throughout the world.

STEPS AFTER THE TRIP – EDUARDO MATARAZZO SUPPLY

The fact of having experienced a real immersion in the subject of Basic Income in such a short space of time and in two so different dimensions, that is, the theoretical academic approach of the conference in Cambridge and the opportunity to make the field observation of the visits to Kenya, provoked a series of reflections, which made me, Eduardo, start for action.

The trip was taken throughout the month of January 2019, therefore, coinciding with the inauguration and the first month of government of Jair Bolsonaro. The campaign of the victorious candidate in the 2018 election, his statements after confirmation of his election and the movements of the transition process between the Temer government and the new occupants of the Planalto indicate that the new government has an economic agenda that is based on intentions of resume growth and development of the country, generate more jobs and guarantee some stability in the public accounts. Despite the fact that I belong to the party that opposed the Bolsonaro candidacy, I believe that certain principles of equity, income distribution and assistance to the most excluded are values of democracy that are not exclusive to this or that political aspect. Therefore, I decided that it was time to warn President Jair Bolsonaro, Minister of Economy Paulo Guedes and the Special Secretary of the Federal Revenue of Brazil Marcos Cintra Cavalcante de Albuquerque about the pertinence to take the steps towards the Citizenship Basic Income.

Soon after coming back to Brazil, I wrote a letter to these three government officials who had just taken their first steps, and offered two copies of works that I believe are fundamental to knowing the concept of basic income, *Citizenship Income. The Exit by the Door*, of my own, and *Basic Income – A Radical Proposal for a Free Society and a Sane Economy*, by Philippe Van Parijs and Yannick Vanderborght, and foreword by myself.

In my argument, I stress the fact that Law 10.835/2004, which establishes the Citizen Basic Income, Universal and Unconditional, was approved by all the parties in both houses of the National Congress, including by the then deputy Jair Bolsonaro. I reminded the President “in case the President of the Republic wishes to comply with Article 3 of the Constitution on the fundamental objectives of the Republic of Brazil, in a manner compatible with what is expressed in its program of government, to guarantee a minimum income for all Brazilian families, as liberal thinkers like Milton Friedman argue, the most effective way to do so will be through the implementation of the Citizenship Basic Income, a concept that Friedman considered another way to apply the Negative Income Tax.”

In the letter, I also summarized some more up-to-date information on the subject, such as the fact that today, “more than 40 countries are debating, conducting experiments and considering the implementation of Unconditional Basic Income.” I briefly reported on the visit I had just made, “The results so far are highly promising, as I found out in person. Brazil would have all the conditions to carry out local experiments, as indeed has been the desire of several municipalities like Santo Antônio do Pinhal, Apiaí and Maricá. In the City Council of São Paulo, a Bill of Law of Mayor Fernando Haddad is in process, already approved in the Commissions of Constitution and Justice and Public Administration, to establish, in stages, UBI in cooperation with the state and federal governments. Finally, I suggested that a Working Group, possibly coordinated by IPEA, to study the steps towards the Citizenship Basic Income, and stated that I had already spoken with both the Perseu Abramo Foundation of the Workers Party and the Fernando Henrique Cardoso Foundation, linked to the PSDB, who have already been willing to talk about it with newly elected government.

The letter, as well as the volumes, were delivered to Marcos Cintra Cavalcante de Albuquerque, current Special Secretary of the Federal Revenue of Brazil, with whom I had a hearing on February 1, 2019. At the same time, I also delivered a letter to the then president and future president of IPEA, Ernesto Lozardo and Carlos Von Doellinger, detailing how this Working Group could be constituted and reporting my dialogue with former President Fernando Henrique Cardoso during the electoral process. “[...] Given that a number of Presidential candidates were in agreement with this objective, we could very possibly meet the various economic teams of the various candidates to work on this subject. Sérgio Fausto, working coordinator of the FHC Foundation, suggested that this meeting should be held after the elections, in 2019.

On the other hand, Márcio Pochmann, President of the Perseu Abramo Foundation, accepted the proposal to create a Working Group for this purpose, and two meetings of this group have already been held. I believe it will be common sense for IPEA to coordinate the efforts of these various institutions linked to the parties whose candidates have made proposals to do this.

It is up to the government to take the necessary steps.

MARICÁ STARTS THE CITIZEN'S BASIC INCOME IN BRAZIL

Last May 25, we attended a significant ceremony where the Mayor Fabiano Horta, of the Partido dos Trabalhadores, Worker's Party, the Vice Mayor Marcos Ribeiro, and the Secretary of Solidarity Economy, Diego Zeidan announced that, from July 2019 on, 50.000 citizens, 1/3 of the population of 150.000 inhabitants of Maricá, a city in the coast of the State of Rio de Janeiro, will start to receive a Citizen's Basic Income of 130 mumbucas, equivalent to 130 reais, or US\$ 32.5, per month. By the end of the present term of this municipal government, in 2020, all inhabitants of Maricá will be receiving an Unconditional Citizen's Basic Income.

In December 2015, in a Conference on Human Rights I explained the advantages of the Basic Income. Just after that, the Mayor Washington Quaquá, of the PT, became enthusiastic and announced that he would start the Citizen's Basic Income in his city, Maricá. He was able to approve the law by the City Council in December 2015 for the Citizen's Basic Income to be introduced gradually: in 2016, 10 mumbucas per month, that were added to the 85 mumbucas of the Minimum Income program for the 14.000 for the poorest families; in 2017, 20 mumbucas per month that were added to the 110 mumbucas that were paid to the 14.000 families. From July 2019 on, 130 mumbucas for 1/3 of the population, 50.000, all of those citizen's that pertain to families enrolled in the Unified Registry of families that have monthly income up to 3 minimum wages (3 X R\$ 998.00), and from 2021 for all inhabitants (that will be more than 155.000).

This is a very significant step when we compare some of the recent important experiences of the Basic Income such as the Finland for two thousand citizens in the past two years that have received 560 euros per month, or the Stockton experience for 130 citizens that are receiving 500 dollars for 18 months, the Otjivero experience in Namibia where 1000 people received 100 Namibian dollars, around 12 US dollars per month; or the Madhya Pradesh in India experience where 6.000 people received 300 rupees per month for adults and 150 rupees for children, for three years.

The Citizen's Basic Income in Maricá is one of several important innovative measures that the Mayors Quaquá and Horta, of the PT, have introduced. In order for the money to be spent in the city, a social electronic money in a magnetic card, the mumbuca was created. In general, the commercial stores in Maricá accept payments in mumbuca. A Community Bank Mumbuca was created in order to provide microcredit at zero interest rates also in the form of mumbucas that are accepted by the local stores and that are offered for financing housing projects.

Minimum Income programs were created also for pregnant mothers as for single mothers. In 2019, for the 200 indigenous people that live in two villages there is an additional 300 mumbucas payment per month. There is also a 'Future Mumbuca' program for young people that take courses in solidarity economy and entrepreneurship that pays 1200 mumbucas per year deposited in a savings account that may be received when the student completes his studies, so that he can start an enterprise or a cooperative.

Maricá is also the first city in Brazil that offers a zero tariff bus transportation system with 14 different lines in the urban area. It also offers a free transportation ticket for around 4.000 students who are studying in universities that are located in different cities. In cooperation with the Landless Workers Movement (Movimento dos Trabalhadores Rurais Sem Terra, MST) the Municipality offers courses in solidarity economy so as to help to organize cooperatives as well as to produce organic agricultural products, without the use of agro toxics. A farm was expropriated to become an agro-ecological school to teach students the practices of land planting and harvesting healthy food.

There are advancements in other important areas, such as education, health and infrastructure. When Mayor Quaquá started his first term in 2009, there were

no nurseries. Today 13 are functioning well to take good care of children up to 4 years of age. The schools for fundamental education were reformed and today all students are studying in full time period. 16,000 notebooks were distributed for the children in schools. The existing hospital was reformed while a very modern Hospital Dr. Ernesto Che Guevara was built in an area of 128,900 square meters, with 10,400 square meters of built construction, 138 beds, ITU area, surgery rooms, at a cost of R\$ 45 million from the municipality budget, that will be soon inaugurated. 550 km of pavement were made since 2009.

The Brazilian economy has recently shown a quite difficult situation of low growth and high rates of unemployment. Almost all cities in the State of Rio de Janeiro in 2018 have had a decrease in employment opportunities. Thanks to the several social programs instituted by the Municipal Government, Maricá has created 500 new employment opportunities in 2018. It is an example for all municipalities and for the Brazilian federal government. It is relevant to know that Maricá has a generous revenue due the royalties collected from the exploitation of oil that operates at a Petrobras base in front of its coast. Thanks to this royalties' revenue the annual municipal revenue per capita is of R\$ 16,665.00, three times more than the annual revenue per capita of São Paulo, that is of R\$ 5,041.00. Of course, Maricá is an example of how to use the public resources to promote development and justice.

BRAZIL AND THE AMERICAS

In almost all nations people ask if it is really possible to pay an unconditional and universal basic income to all inhabitants, 209 million people in the case of Brazil. Last June the 14.3 million families approximately 50.1 million inhabitants were being benefitted by the Bolsa Família program at a monthly cost of R\$ 2.6 billion, approximately R\$ 31.5 billion per year. Each of the beneficiaries receive R\$ 89.00 per month. Suppose we were to pay a relatively modest amount, above this, say R\$ 100.00 per month, or R\$ 1,200.00 per year for the 209 million inhabitants of Brazil. The total cost is R\$ 250.8 billion. It is a very huge amount, especially taking into account that the Federal Total Revenue of Brazil in 2019 is R\$ 3.381 trillion. Also if we compare this amount to the total budget of the Health and Education Ministries, respectively R\$ 122.6 billion and R\$ 117.1 billion. On the other hand, if we compare that amount with the total value of tax subsidies provided by the Federal Government in the year 2018, R\$ 292.8 billion; we may consider that the total cost of the Basic Income to all is not too much.

In March 13, 2017, in Geneva, journalists asked President Dilma Rousseff if she had committed a mistake in her government. She answered yes, a big one, when providing tax exemptions. She thought that entrepreneurs would use those resources to invest more and to promote growth and more jobs. Nevertheless, they incorporated those subsidies to their profits. In fact, tax exemptions are income transfers to those who are better off. If we were to use that amount to pay an equal,

even if a modest basic income of R\$ 100.00 to all to start with, we will take a big step towards a much more equal and civilized society.

It is also relevant that a bill of Law was presented by Mayor Fernando Haddad in his last day of government (2013-2016) to the Municipal City Council of São Paulo to institutes gradually the Citizen's Basic Income. São Paulo has 12 million inhabitants. The bill has already been approved by three commissions and will be appreciated by two other commissions.

The Citizen's Basic Income, Unconditional and Universal, has been also argued in favor of by Rubén Lo Vuolo and Alberto Barbeito in Argentina, Pablo Yanez and the different parliamentary initiatives in Mexico, and by those who recently have established a network in Uruguay to approach that. Lena Lavinas, Maria Ozanira Silva e Silva, Ladislau Dowbor, Leandro Ferreira, Bruna Carnellosi, Josué Pereira da Silva, Aldaiza Sposati, Tatiana Roque, Fábio Waltenberg, Célia Lessa Kerstenetzky, Fernando Freitas and Marcelo Lessa in Brazil are examples of those arguing for a basic income.

Scholars devoted to subjects of inequality have also contributed to the understandings of how a basic income could affect that matter. Pedro Herculano and Sergei Soares (Souza e Soares, 2011), researchers at IPEA (Instituto de Pesquisa Econômica Aplicada), a major governmental research agency, suggest a continuous process of rationalization of additional cash transfers that can include Bolsa Família program towards a Universal Child Benefit, an unconditional cash transfer that includes everyone up to 16 years old. Such a proposal brings together financing mechanisms, since it would departure from actual cash transfers and the income tax deduction per dependent child received by wealthy families. Bernard Appy, Nelson Machado, Isaias Coelho and others (2018) have argued for a universal basic income to the elderly as part of a reorganization of the tax burden. It would be a partial basic income that could represent a step towards universalization.

Leda Paulani, Márcio Pochmann and others have also contributed to inequalities and income levels discussions, especially considering the developmentalism issues. Maria da Conceição Tavares one of the most important economist in Brazil, has also argued in favor of a basic income as an urgent topic to be considered for the 2018 presidential elections. It's no surprise that most of the important candidates, including those in the second round of that elections, Fernando Haddad and the elected Jair Bolsonaro, had some kind of proposal to widen cash transfers towards universalism. Fernando Haddad, especially, had it based on the terms of the Federal Law 10.835 sanctioned by Lula in 2004. Bolsonaro based his arguments on Milton Friedman's traditional view of a negative income tax.

In November 12, 2012, the Plenary Section of Parlatino, in Panamá, approved by consensus the Mark Law of the Basic Income presented by deputies Rodrigo Cabezas Morales, from Venezuela, Maria Soledad Vela Cheroni, from Ecuador, Ricardo Berois, from Uruguay and by me, Eduardo Matarazzo Suplicy, then Senator, from Brazil. It was considered a proposal for all 27 nations of Latin America and the Caribbean.

In the same way that Philippe Van Parijs and Yannick Vanderborght are propos-

ing a Basic Income for the European Union, we are also considering the Basic Income for the Americas. When President Donald Trump asked the US National Congress, last January, US\$ 18 billion for the construction of a wall separating the USA from Mexico and all Latin America, plus US\$ 33 billion to be spent in technology and security actions along the frontier in the next ten years, I, Eduardo Matarazzo Suplicy made the following proposal: It would be much better to invest that amount of resources in the American Permanent Fund, inviting all nations of the three Americas to do the same, and then follow the so successful example of one of the American States, Alaska, that created the Alaska Permanent Fund in the late seventies and beginning of the eighties, after the initiative of Governor Jay Hammond. With the earnings of the royalties invested in the Alaska Permanent Fund, it has been possible to pay to all residents of Alaska an annual dividend, equal to all residents living there for one year or more. As a result, Alaska, that was the most unequal of the fifty American States back in 1980, became, along with Utah, the two most equal of the fifty American States. In addition, it is political suicide for any leader in Alaska to propose the end of the system. We should remember that in 1987, in his most important speech in history, just besides the Berlin Wall, the Republican President Ronald Reagan told President Michael Gorbachev, from Soviet Union: If you want to promote peace in Eastern Europe and in Western Europe then “Turn Down this Wall”, that was known as the Wall of Shame. The wall was finally turned down in 1989. Why does President Trump want to build a new Wall of Shame?

Let us at this International Congress of BIEN tell the President of the United States Donald Trump: On the day that we do have a Citizen’s Basic Income from Alaska to the Patagonia, from Canada to Argentina, we will no longer need any walls to separate our frontiers. People will have the freedom to travel to all nations with the possibility to choose where to live, to study, to work and to visit thanks to the right of everyone to participate in the common wealth of our nation and of our continents. Let us remind of the lesson mentioned by our extraordinary Nobel Prize economist Amartya Sen in *Development as Freedom*. He said that Adam Smith and Karl Marx had one important thing in common: both argued in favor of the freedom of people to move from one place to another, Adam Smith, when analyzing the restrictions of the Poor Laws criticizing that only those within the limits of the parochial areas could have the benefit of the Poor Law subsidies. Karl Marx, when analyzing that the most important event of his time was the American Revolution that ended up with the Abolition of Slavery that resulted in the freedom of former slaves to search for work anywhere. Let us argue in favor not only of freedom of movements of capital, goods and services to move, but mainly to what is much more important: human beings.

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