



Taking Tax to the Global Level Combining Southern Initiatives to Create a World Basic Income

Abstract

The Global South is arguing strongly for a UN tax body.¹ The initial focus is, quite rightly, on reducing tax avoidance and arresting the 'race to the bottom' on corporation tax. But apart from these goals, we should ask what else a UN tax body could achieve. Could it provide even greater potential for tackling global injustice and inequality, as well as provide a meaningful international framework for managing CO2 emissions and other international problems with a strong revenue earning role?

In progressive societies, taxation can be used to redistribute resources from elites to the general population. With a UN tax body, this could be introduced at the world level. By applying taxes to the use of global collective assets, such as land, air, sea and intellectual property, global taxation could fund cross-border public services as well as be distributed directly to people everywhere as a worldwide basic income.

As with the demand for a UN tax body, direct cash transfers are also a Global South-led initiative. From Brazil's *Bolsa Familia* programme to South Africa's Child Support Grant, and the basic income pilots in Namibia and India, cash transfers have been described as 'The Development Revolution from the Global South'.²

The technology needed to make large-scale cash transfers feasible has also been realised in the South. Mobile phone banking (which is distinct from internet banking), has been successfully implemented in Kenya and is now used by millions throughout the Majority World, providing the potential for a UN tax body to redistribute revenues as direct payments to individuals, even in the most remote areas. Mobiles could also be used for biometric identification. It should, however, be noted that biometric ID could be used for problematic purposes by governments as the current debate over Aardhaar in India reveals.³ Other ID initiatives such as those using blockchain (e.g Sovrin)⁴ may prove to have potential as alternatives.

This paper argues that these three big Southern ideas – the UN Tax Body, direct cash transfers and mobile banking – should be brought together to create a world basic income. This has the potential to directly address embedded North-South inequalities, end extreme poverty immediately, and harness the power of taxation for global justice and well-being, not to mention re-energising a world economy that currently sees trillions of dollars idling in off-shore accounts.

¹<http://www.taxjustice.net/2016/09/28/ecuadors-president-calls-global-tax-body/>

²<http://www.oecd.org/dev/pgd/46240619.pdf>

³ <https://medium.com/@jackerhack/a-rant-on-aadhaar-6213e002f064>

⁴ <https://www.sovrin.org/>

Introduction

Three major innovations from the Global South could be combined to provide a revolutionary social intervention for every person in the world – a world basic income.

Money could be raised at the global level through a UN tax body levying new global taxes and fees. This money could be distributed to people everywhere as cash transfers, a mechanism that has gained huge popularity among countries of the South. Mobile phone banking, a technology that has been developed and widely adopted in Southern countries, could provide the means for money to be transferred directly from this global body to individuals everywhere, without the need for formal bank accounts.

Our organisation, also called World Basic Income (WBI), which campaigns for this idea, suggests that in the first instance a world basic income should be distributed to every person irrespective of age or social status, at a starting rate of US\$10 per month. This would likely be sufficient to address Sustainable Development Goals 1, 2 and 10, addressing extreme poverty, hunger and inequality respectively. However, we strongly support increases over \$10 as soon as funding is available, as this would address not only extreme poverty but poverty as a whole.

This paper begins with an examination of these three Southern innovations, to establish their origins and impacts. It then proceeds to synthesise these innovations into a radical but workable proposal for world basic income, and discusses the potential benefits and risks of such a scheme. Proposed funding mechanisms – global taxes and other charges – are discussed, with estimates of the amounts that could be raised. Governance options are also explored. Finally, the paper concludes by sketching a possible route-map for achieving this change.

A UN Tax Body

The argument for a United Nations tax body is being advanced powerfully by countries of the Global South⁵. Southern countries are uniting around the proposal that active global oversight of taxation, controlled by the only global body in which all countries enjoy equal representation, could help to address tax evasion and avoidance⁶ and end the 'race to the bottom' in corporate tax.⁷ Illicit Financial Flows alone are estimated to cost the world's least developed countries over \$1 trillion per year.⁸

How international tax matters are handled at present

There already exists within the United Nations a Committee of Experts on International Cooperation in Tax Matters, but its mandate is very limited⁹, described by the South Centre as 'purely advisory'¹⁰, and the subcommittees are often unable to meet at all due to lack of funds.¹¹ The Tax Justice Network sees these limitations as deeply political in origin, stating that, "The OECD and its member states have exerted powerful pressure to restrict its mandate and

⁵ <https://financialtransparency.org/list-governments-supported-un-tax-body-one-table/>

⁶ <https://www.theguardian.com/global-development-professionals-network/2015/jul/15/addis-ababa-talks-risk-deadlock-over-un-agency-for-tax-ffd3-financing-for-development>

⁷ <http://www.globaltaxjustice.org/en/blog/10-reasons-why-intergovernmental-un-tax-body-will-benefit-everyone>

⁸ <http://www.gfintegrity.org/issue/illicit-financial-flows/>

⁹ <http://www.un.org/esa/ffd/ffd-follow-up/tax-committee.html>

¹⁰ <https://www.southcentre.int/question/designing-a-developing-country-agenda-on-international-tax-cooperation/>

¹¹ <https://www.globalpolicywatch.org/blog/2017/04/11/the-un-tax-committee-holds-out-the-begging-bowl/>

powers and to ensure that it is under-resourced, given low status, and unable to mount a challenge to rich countries' needs."¹²

The *de facto* powers to set norms for tax co-operation have for many years sat with the OECD and its 'Base Erosion and Profit Shifting (BEPS)' project, effectively excluding developing countries from the discussion.¹³ The OECD agenda on tax is reported to ignore developing countries' primary concerns, including, "profit-split methods between residence and source taxation, taxation of technical services (administrative, management, technical support) and the treatment of enterprises in extractive industries."¹⁴

The demand from the Global South for a UN Tax body

The demand for a fully-fledged UN tax body was first made at the Addis Ababa Financing For Development Conference in 2015, where it was tipped as having put negotiations in deadlock,¹⁵ and was eventually blocked by developed countries.¹⁶

The conference report, the Addis Ababa Action Agenda, makes positive noises about tax co-operation, but comes nowhere near to meeting the Global South's demands. Instead of the full intergovernmental tax forum that the South had envisaged,¹⁷ the Agenda promises only to, "increase the frequency of [the Committee of Experts in International Co-operation in Tax Matters] meetings to two sessions per year."¹⁸ The focus of the Agenda, as with initiatives like the OECD and UNDP's Tax Inspectors Without Borders¹⁹ and the International Tax Compact,²⁰ is on transferring knowledge and skills in tax auditing to governments in developing countries. The demands of those governments for better global tools and forums with which to do their job seem to be broadly ignored.

However, the demand for a UN tax body continues to resurface. It was put forward again at the UNCTAD Nairobi Ministerial in 2016, but was 'shot down by Western nations'.²¹ Shockingly, the South Centre report that even the wording of a sentence calling for developing countries to be able to participate 'on an equal footing' was objected to by richer nations.²² Nevertheless, upon becoming chair of the G77 in 2017, Ecuador has renewed the call once again, declaring, "We need a UN tax body to ensure tax justice. Ecuador will unite with all those fighting this battle – states and civil society."²³

The on-going opposition of wealthy countries is seen as the primary obstacle to progress, while

¹² <http://www.taxjustice.net/2015/06/19/10-reasons-why-an-intergovernmental-un-tax-body-will-benefit-everyone/>

¹³ <https://www.southcentre.int/question/designing-a-developing-country-agenda-on-international-tax-cooperation/>

¹⁴ <https://www.southcentre.int/question/designing-a-developing-country-agenda-on-international-tax-cooperation/>

¹⁵ <https://www.theguardian.com/global-development-professionals-network/2015/jul/15/addis-ababa-talks-risk-deadlock-over-un-agency-for-tax-ffd3-financing-for-development>

¹⁶ <https://www.southcentre.int/question/designing-a-developing-country-agenda-on-international-tax-cooperation/>

¹⁷ https://www.southcentre.int/wp-content/uploads/2016/03/PB24_Five-points-on-Addis-Ababa-Action-Agenda_EN.pdf

¹⁸ <http://www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/07/Addis-Ababa-Action-Agenda-Draft-Outcome-Documents-7-July-2015.pdf>

¹⁹ <http://www.tiwb.org/>

²⁰ <https://www.taxcompact.net/about-the-itc/itc-work-lines.html>

²¹ <http://www.ipsnews.net/2017/01/ecuador-revives-campaign-for-un-tax-body/>

²² <https://www.southcentre.int/question/unctad-14-nairobi-maafikiano-barely-saves-minimal-finance-and-development-mandates/>

²³ <http://www.ipsnews.net/2017/01/ecuador-revives-campaign-for-un-tax-body/>

G77 countries are said to be broadly in agreement as to what needs to be done.²⁴ In April 2017 China joined the call, and other middle-income countries including India, Brazil and South Africa are showing strong support.²⁵ Taxation, together with truly international oversight, is becoming firmly established as essential for the securing of human rights.²⁶

What else could a UN tax body do for us all?

The initial focus of the UN tax body is of course to ensure that national tax revenues are not lost through tax evasion and avoidance by elites. This is a huge priority, and a global system for disclosing company finances such as country by country reporting to calculate fair taxation is likely to be the only thorough solution.

We also need a UN tax body because, at present, global decision-making on taxation is handled by the OECD, which largely excludes the Global South. Other benefits of such a body are outlined by the Global Alliance for Tax Justice.²⁷

However, once these aims are achieved, and companies are forced to pay their taxes in the countries where they make money, it makes sense to ask what else we could do with a UN tax body. In progressive societies, taxation has been used to redistribute wealth and income. We propose that a UN tax body could work as a new, empowered global actor that could begin to levy and collect certain taxes at the global level, thereby enabling a much greater degree of global redistribution than is achievable with present methods.

Cash transfers – 'The Development Revolution from the Global South'²⁸

Alongside the provision of public services, direct cash transfers from governments and NGOs to citizens are increasingly being used in the Global South to tackle poverty and cement improvements in living standards.

Major government programmes in many countries have normalised the practice of distributing cash, in the form of social pensions, child benefits, and income support programmes. The 2010 book *Just Give Money to the Poor: The Development Revolution from the Global South*²⁹ documents the impressive positive outcomes of these schemes, from significant reductions in child malnutrition, to major increases in households' earned income, as families become able to invest in their farms, small businesses and job-seeking efforts.

Brazil's *Bolsa Família* programme, launched in 2003, gives cash transfers averaging US\$48 per month³⁰ to the poorest 40% of families at a cost of just 0.5% of GDP.³¹ Economists assess that for

²⁴ <http://www.ipsnews.net/2017/01/ecuador-revives-campaign-for-un-tax-body/>

²⁵ <http://www.globaltaxjustice.org/en/latest/4-g77-and-china-say-establish-un-global-tax-body>

²⁶ <http://www.cesr.org/towards-international-tax-agenda-based-rights-and-equality-tax-justice>

²⁷ <https://www.globaltaxjustice.org/sites/default/files/10%20Reasons%20Why%20an%20Intergovernmental%20UN%20Tax%20Body%20Will%20Benefit%20Everyone.pdf>

²⁸ https://books.google.co.uk/books/about/Just_Give_Money_to_the_Poor.html?id=M2WWHizQON0C&printsec=frontcover&source=kp_read_button&redir_esc=y&hl=en#v=onepage&q&f=false

²⁹ https://books.google.co.uk/books/about/Just_Give_Money_to_the_Poor.html?id=M2WWHizQON0C&printsec=frontcover&source=kp_read_button&redir_esc=y#v=onepage&q&f=false

³⁰ http://www.ipea.gov.br/portal/images/stories/PDFs/livros/livros/livro_bolsafamilia_10anos.pdf

³¹ <https://braziltalk.org/2017/02/21/brazilians-have-a-civic-role-in-keeping-the-bolsa-familia-program/>

every Real (R\$) transferred, family incomes increase by R\$2.40, thanks to the virtuous economic cycles created by the presence of cash in local pockets.³²

In Malawi in 1998, one of World Basic Income's directors, Paul Harnett, piloted the transfer of a one-off \$10 voucher to a thousand recipients, in place of seeds and fertiliser received by a control group. The results of the cash transfers were a startling positive improvement in agricultural productivity.³³ Poorer farmers suddenly did not have to work on other's land in order to get cash for essentials like salt and soap, and could instead develop their own land and production. This enabled many to break out of the poverty cycle for a while, and a regular transfer could have done far more.

Universal basic income was officially proposed in Namibia as early as 2002, when the government's own tax commission recommended that a basic income be provided to end the survival economy and boost economic growth.³⁴ After the idea was rejected by the government, a major network of Namibian civil society groups, the BIG (Basic Income Grant) Coalition, emerged to fight for it, and instigated a highly successful pilot scheme in the village of Otjivero. Unlike many other cash transfer schemes, which attempt to target money to just the poor, the Namibian BIG was intended to be universal, based on the idea that, "The money of people not in need or not in poverty would be recuperated through adjustments in the tax system."³⁵ The outcomes of the scheme were roundly positive, and during the 2013/4 drought, an emergency grant scheme by the Lutheran churches used the same model.³⁶ The political battle for the introduction of basic income across the country continues.

Following successful basic income pilots led by the Self-Employed Women's Association³⁷, India's government recently endorsed basic income in an annual report, describing it as, "A radical and compelling paradigm shift in thinking about both social justice and a productive economy."³⁸ The India Network for Basic Income held the country's first conference to explore the topic in March 2017, and civil society pressure is growing.³⁹

Many other countries and communities in the Global South have experimented with basic income or schemes similar to it. Mongolia uses mining revenues for a Human Development Fund, part of which is distributed as annual cash payments to every citizen.⁴⁰ Mexico City provides an unconditional universal pension to every older person.⁴¹ In South Africa over 30% of people, including non-citizen residents like refugees, receive a government cash grant, ranging from the Child Support Grant of around US\$28 per month, to the Older Persons Grant of US\$120 monthly.⁴² Communities in China, Brazil and Uganda enjoy small basic incomes,⁴³ while many more use targeted cash transfers to support people on low incomes.⁴⁴

³² <https://braziltalk.org/2017/02/21/brazilians-have-a-civic-role-in-keeping-the-bolsa-familia-program/>

³³ <http://www.tandfonline.com/doi/abs/10.1080/13623690801957356>

³⁴ <https://cms.my.na/assets/documents/p1b2aoh5r914v4uktsusbucj1j4.pdf>

³⁵ <http://www.bignam.org/>

³⁶ <https://cms.my.na/assets/documents/p1b2aoh5r914v4uktsusbucj1j4.pdf>

³⁷ <http://sewabharat.org/resources/report-on-unconditional-cash-transfers/>

³⁸ <http://www.independent.co.uk/news/world/asia/india-universal-basic-income-combat-alleviate-poverty-economic-survey-a7555416.html>

³⁹ <http://basicincome.org/topic/india/>

⁴⁰ <https://www.brookings.edu/opinions/mongolias-quest-to-balance-human-development-in-its-booming-mineral-based-economy/>

⁴¹ <http://www.basicincome.org/bien/pdf/PensionPabloSpeech.pdf>

⁴² http://www.groundup.org.za/article/everything-you-need-know-about-social-grants_820/

⁴³ <http://www.worldbasicincome.org.uk/national-basic-income-campaigns.html>

⁴⁴ <http://www.worldbank.org/en/results/2016/05/19/cash-transfers-help-pakistan-poorest>

Even the Global North is catching on to the idea, with basic income being piloted in Finland and Canada, and cash transfers now widely used in aid, emergency and philanthropy arrangements with the Global South. Organisations as diverse as the World Food Programme, GiveDirectly, and the UK's Department for International Development provide cash directly to Syrian refugees, communities hit by Ebola, and millions more families living in poverty all over the world.⁴⁵ Cash is increasingly seen as an effective way of 'cutting out the middleman' and achieving real improvements in people's quality of life.⁴⁶

The bank in your pocket – mobile phone banking, making worldwide cash transfers possible

Until recently, it was expensive and in many cases impossible to get money to the billions of people around the world who don't have bank accounts. But since the invention of mobile phone based banking, cash can be transferred cheaply and easily to and from individuals all over the world. It should be noted that this is distinct from internet banking and requires a simple mobile phone rather than a smartphone.

The story starts in 2004, when a research project in Kenya explored the potential for microfinance repayments to be made by mobile phone.⁴⁷ But with Kenya's trend of internal migration, it soon became clear that urban workers wanted a tool that could transfer money cheaply and directly to their families back home. In spite of opposition from the country's major banking firms,⁴⁸ the Kenyan regulators agreed to 'let regulation follow innovation' and allowed the scheme to go ahead.⁴⁹ By 2007, the M-PESA (Meaning 'M(mobile)-Money' in Swahili) service was launched, and by 2010 the service had over 10 million users in Kenya.⁵⁰ Money transfers are now as simple as sending a text message and users can maintain a balance and even open a savings account, all through their mobile phone. Local agents and ATMs allow people to deposit and withdraw cash to and from their mobile money account.

M-PESA spread rapidly around the world, reaching Tanzania in 2008, India in 2013 and Romania in 2014.⁵¹ Unstable regimes have proved to be no barrier – M-PESA launched in the Democratic Republic of Congo in 2012, despite on-going conflict within the country.⁵² Similar mobile banking services have sprung up all over the world, from Pakistan⁵³ to Mexico⁵⁴ and although uptake has been slow in some areas,⁵⁵ a swift upward trend is clear.

Mobile phone banking is revolutionary because of its accessibility. It's a lot easier to get a mobile phone than it is to get a bank account. Extensive ID requirements and creditworthiness checks have historically excluded many people from banking services. But 73% of people

<http://newsroom.iza.org/en/2016/09/15/how-the-worlds-largest-social-pension-reform-is-transforming-family-old-age-care/>

[https://www.research.manchester.ac.uk/portal/en/publications/design-and-rural-context-in-antipoverty-transfers\(0c62bd46-f27f-48ad-818f-a84a5e3f15c9\).html](https://www.research.manchester.ac.uk/portal/en/publications/design-and-rural-context-in-antipoverty-transfers(0c62bd46-f27f-48ad-818f-a84a5e3f15c9).html)

⁴⁵ <http://www.cashlearning.org/>

⁴⁶ <http://www.bbc.co.uk/news/uk-38591386>

⁴⁷ <http://www.economist.com/blogs/economist-explains/2013/05/economist-explains-18>

⁴⁸ <http://paymentsafrika.com/payment-news/mobile/how-kenyan-banks-lost-to-mpesa/>

⁴⁹ <http://blogs.worldbank.org/africacan/how-kenya-became-a-world-leader-for-mobile-money>

⁵⁰ <http://kenyayote.com/history-of-mpesa-evolution-of-kenyas-top-mobile-money-banking-platform-safaricom/>

⁵¹ <http://edition.cnn.com/2017/02/21/africa/mpesa-10th-anniversary/>

⁵² <http://edition.cnn.com/2017/02/21/africa/mpesa-10th-anniversary/>

⁵³ <https://swiftmoney.com/blog/emerging-money-trends-what-you-should-know-about-mobile-money/>

⁵⁴ <http://marketrealist.com/2016/06/mobile-banking-boosting-financial-inclusion-latin-america/>

⁵⁵ <http://www.gdi.manchester.ac.uk/research/publications/di/di-wp65/>

worldwide now use a mobile phone, and coverage is still growing.⁵⁶ Over 1 billion mobile phone users used their devices for banking purposes by the end of 2015. This is forecast to reach 2 billion by 2020, by which time it will represent 37% of the global adult population.

Sub-Saharan Africa is experiencing the world's fastest rise. Some 12% of adults in the region had a mobile money account at the end of 2014, according to World Bank figures.

The rapid spread of mobile banking opens up possibilities for new redistributions of wealth. From small business trading to remittances, mobile money is making it possible for more cash to land in people's pockets in the Global South. Coupled with traditional arrangements for transferring money, like direct payments to bank accounts, it is becoming possible to reach nearly the whole world population with automatic direct cash transfers. The introduction of a worldwide basic income scheme is also, of course, likely to drive even further increases in mobile banking and other bank service uptake.

Merging three big Southern ideas to create a world basic income

This paper proposes that these three big Southern ideas – the UN tax body, cash transfers, and mobile banking – be combined to create a new global social safety net: a world basic income.

Why have a World Basic Income?

Basic income has recently gained exponential growth in interest in the rich world as a dignified alternative to conditional social security, and as a means of sharing wealth as automation diminishes paid work opportunities.⁵⁷ However, in less well-off countries, basic income is mainly seen as a mechanism for addressing income poverty, for boosting the bargaining power of the poor, and for creating jobs by stimulating customer demand and small capital investment.⁵⁸ Pilot experiments in India⁵⁹, Namibia⁶⁰ and Kenya⁶¹ have shown extensive benefits, from increased school attendance for girls, to improvements in earned incomes, as recipients invest the money in small business ventures like baking, tailoring and brick-making.

Some countries of the Global South, including Namibia and India, are already discussing implementing basic income at the national level. India is discussing a potential annual transfer of just under \$10 per month to every adult, which is expected to lift 180 million people above the extreme poverty line. Basic income at much higher levels is on the political agenda in the Global North too, with Finland, Canada and the Netherlands undertaking trials.⁶² This is great news. The vision for world basic income is that it exists *as well as*, not instead of national basic incomes. Countries are likely to continue having different income levels and tax-and-spend preferences for a long time to come, so it makes sense for them to set national basic income levels to suit that.

World basic income is a proposed global policy that aims to complement these national basic income schemes. It would act as the ultimate global safety net, provided unconditionally to everyone worldwide, regardless of other benefits they might receive where they live. In this way, a world basic income would provide a basic boost to all, and act as the final line of

⁵⁶ <http://www.gsma.com/mobileeconomy/>

⁵⁷ <http://www.basicincome.org.uk/reasons-support-basic-income>

⁵⁸ <https://www.theguardian.com/business/economics-blog/2014/dec/18/incomes-scheme-transforms-lives-poor>

⁵⁹ https://www.guystanding.com/files/documents/Basic_Income_Pilots_in_India_note_for_inaugural.pdf

⁶⁰ http://www.bignam.org/BIG_pilot.html

⁶¹ <https://www.givedirectly.org/blog-post?id=1423924916713458127>

⁶² <http://basicincome.org/?s=pilots>

defence against destitution. However troubled their national economy might be, people would always receive their world basic income.

The South demand fair access to resources, and global co-operation on poverty and inequality

Although North-South inequality has been broadly dropped from the global agenda since the 1970s, the Global South remains painfully aware that it is primarily a lack of money that holds back development. On the 30th anniversary of the passing of the 'Right to Development', many countries made statements highlighting the importance of money for achieving development goals, with Sierra Leone noting that, “Access to resources remains a predominant concern.”⁶³

There also exists a significant appetite for global co-operation. Sri Lanka stressed the need to address challenges like extreme poverty at the global level, while India called for, “fresh ideas and new mechanisms,” and, “an equitable global order.” Algeria stated that, “The international community has the duty to support actively or at least not to hinder the process of development of people and of the most disadvantaged peoples and individuals.”⁶⁴

World basic income has immense potential to address this current problematic distribution of global resources. By levying taxes at the global level and then pumping the money back into the global economy from the grassroots, we can directly redistribute global income. Depending on the scale of taxes and world basic income chosen, this could drastically reduce North-South inequality. What begins as a scheme to end extreme poverty could be scaled up to achieve real global justice and bottom-up development.

What taxes could a UN Tax Body levy, and how much could it raise?

Many goods (and 'bads') that we use to create wealth are global in origin. Our atmosphere is an obvious global commons, and polluting it has entirely global effects. International airspace and the great majority of our oceans are global commons too. Goods of human origin, such as the global banking system, and our shared heritage of knowledge, skills and intellectual property, can also be understood to belong to all of us in equal share.

These global common goods are obvious places to begin discussions about global taxation. These taxes can be construed as rents that private users pay for the profitable use of common property. The term 'taxes' should be understood broadly here, and may include revenues from the sale of permits or collective ownership of shares, royalties on sales revenues, or fees for specific activities. Some examples include:

- **Carbon cap-and-share.** Money is raised through the sale of fossil fuel extraction permits.
- **Aviation and shipping fees.** Airliners and ships using international airspace and waters pay a fee to do so.
- **Financial transaction taxes.** A small percentage is charged on cross-border transactions.
- **Intellectual property royalties.** A proportion of the sales price of patented and copyrighted goods is levied as a royalty.

⁶³ <https://www.southcentre.int/question/developing-countries-call-for-greater-efforts-to-implement-the-right-to-development/>

⁶⁴ <https://www.southcentre.int/question/developing-countries-call-for-greater-efforts-to-implement-the-right-to-development/>

Many other goods could be considered relevant for taxation, of which a part of the money raised could justifiably be shared globally. Land, for example, is naturally-occurring, and therefore belongs equally to all. Its value emerges in part from its sheer existence, but also in part from the infrastructure built around it, the value of which can usually be attributed to local efforts. It therefore seems reasonable that low-level global land value taxes could be applied, but space should be left for countries to apply additional national land value taxes as well. Similar considerations apply to Piketty's proposed wealth tax,⁶⁵ and to Varoufakis' proposal for common corporate dividends, whereby a proportion of the company shares sold in an Initial Public Offering are automatically transferred to a Commons Capital Depository.⁶⁶

Table 1 shows initial (and conservative) calculations for the amounts that could be raised from various global taxes. These calculations show that enough could be raised through relatively conservative estimates of global taxes and other revenues to provide a world basic income of US\$71 per person per month, assuming a world population of 7.5 billion. This equates to roughly two dollars per day for every adult and every child in the world.

If such taxes were levied and used in full for a world basic income, this would push everyone in the world above the global extreme poverty line of \$1.90 per day. Furthermore, it would redistribute over \$8.5 trillion (circa 8% of global GDP) every year from the upper end of the global income scale, where the new global taxes would predominantly fall, and distribute it among people everywhere, most of whom are close to the bottom of the global income pyramid.

These figures are only illustrative. Much higher levels of taxation and transfers could be adopted, to tackle global poverty and inequality more thoroughly. Alternatively, lower levels could be chosen, to minimise any macro- and microeconomic impacts. Our organisation, World Basic Income has begun campaigning for a \$10 a month world basic income; only a fraction of the amount we currently estimate could be raised. This low amount was chosen early on, based on concerns about fund-ability and potential inflation effects, but we hope that ongoing research will allow us to raise the target figure. The goal is to raise enough money through global taxes to provide a decent safety net for people everywhere. The final taxation rates and amounts will necessarily emerge through an ongoing process of worldwide political discussion.

⁶⁵ https://books.google.co.uk/books/about/Capital_in_the_Twenty_First_Century.html?id=T8zuAgAAQBAJ&printsec=frontcover&source=kp_read_button&redir_esc=y#v=onepage&q&f=false

⁶⁶ <https://www.project-syndicate.org/commentary/basic-income-funded-by-capital-income-by-yanis-varoufakis-2016-10>

Table 1

Potential global tax revenues					
Potential funding stream	Suggested by...?	Charging rate	Amount this rate is charged on	Total amount raised per year	Amount that could be paid per person per month (\$)
CARBON TAX	IMF	IMF suggest \$59 per tonne of CO2	35 gigatonnes of CO2 per year	\$2,065 billion	\$22.94
AVIATION AND SHIPPING FEES					
Passenger flights	World Basic Income	\$12 per flight	3 billion passengers fly per year	\$36 billion	\$0.40
Air freight		\$0.02 per freight tonne km	185 billion freight tonne km per year	\$3.7 billion	\$0.04
Shipping of containers		\$200 per container	200 million containers shipped per year	\$40 billion	\$0.44
FINANCIAL TRANSACTION TAX					
Currency Transaction Tax	A coalition of organisations, including the Tax Justice Network, Trade Union Coalition and Christian Aid.	0.005%	\$900 trillion in 2010, less 25% to account for likely reductions in trade	\$33 billion	\$0.37
Trade in bonds, gilts, derivatives, etc		0.005%	\$3,150 trillion	\$18 billion	\$1.31
Stamp duty on trading in shares		0.50%	\$60 trillion, less 25% to account for likely reductions in trade	\$225 billion	\$2.50
INTELLECTUAL PROPERTY CHARGE					
	Peter Barnes, with data extrapolated to the world level by WBI	2% on each sale of patented or copyright goods (WBI's suggestion)	\$8 trillion	\$160 billion	\$1.78
LAND VALUE TAX					
	WBI	Flat 0.5% on land holdings worth more than \$5,000.	Assumed \$5 trillion worth of land in each of the 35 OECD countries, plus \$1 trillion average in each of the 160 other countries.	\$3,350 billion	\$37.22
WEALTH TAX					
	Thomas Piketty	Progressive rates of 0.1% to 10% on wealth above £200,000 (higher rates are only for fortunes over £5 billion)	Note specified	'A few hundred billion,' says Piketty - we will assume \$250 billion.	\$2.78
COMMON CORPORATE SHARES					
	Yanis Varoufakis (WBI's suggestion)	10% of all corporate dividend payments	\$1,167 billion of dividends in 2015	\$177 billion	\$1.30
TOTAL				\$8,568 billion	\$71.09

Creating and running a world basic income scheme

Introducing and governing a worldwide basic income, with the accompanying global taxes to pay for it, will be no mean feat. Every element of the proposal, from the creation of a UN tax body, the information-gathering necessary to charge each proposed global tax, and the secure registration of recipients worldwide, will take immense effort and political will. We are, at present, right at the beginning of that process.

To push forward, we need to sketch out some options for how such a scheme could be made operational. How would the taxes be calculated and levied, and who would distribute the money? To what extent would national governments play a role? How would this process obtain democratic legitimacy and oversight?

We also need to explore how we might get from here to there. Awareness and support for the idea will need to be built up among the world's population. Pressure will need to be put on politicians and institutions at all levels, to drive forward progress. There is much to be done, and we at World Basic Income certainly do not profess to know exactly how this process might be achieved. We can, however, draw on the success of previous movements for social change, as well as opportunities arising from the world's new interconnectedness, to envisage ways forward.

Governance, legitimacy and practicalities

Eurodad have suggested that a body governing taxes internationally should:

- Be intergovernmental: It should consist of representatives negotiating on behalf of governments.
- Have universal membership: All countries should be able to participate on an equal footing.
- Be adequately resourced: It must have the secretariat capacity and resources to operate effectively.

“It could also be supported by a subsidiary technical body: The technical work could form the basis of the political decisions, which should be taken by the intergovernmental body. This expert body could, for example, be a strengthened version of the existing UN Expert Committee.”⁶⁷

Countries of the Global South want taxation to be overseen by the UN, so this seems like a good site for the main governance of a world basic income scheme.

Whilst the UN is not currently of sufficient capacity to operate a global tax body, the expertise does exist, in particularly at the OECD. In the short term this expertise could be transferred to a newly empowered and resourced tax body within the UN, while global taxation expertise from a wider constituency of nations is sought and brought on board.

New unified standards of reporting by companies and individuals (i.e. all those who undertake activities that would be subject to the new global taxes) would need to be introduced. In particular, the way that revenues and profits are calculated would need to be standardised, so

⁶⁷ <http://www.eurodad.org/files/pdf/5673eee20133e.pdf>

that taxes can be charged fairly. Needless to say, a new level of transparency is involved here. Tax havens, also known as 'secrecy jurisdictions', would have no place in a system of this kind. Fortunately, progress is already being made to improve global financial transparency. The world basic income movement would need to lend its support to these efforts.

A further governance issue to consider is whether the revenues raised should be earmarked for specific purposes or left in a "general" pot. Campaign groups for particular taxes, such as Robin Hood Tax campaigns for financial transaction taxes, and groups proposing carbon taxes or charges, have often proposed their own schemes for spending the money. Of course, it is reasonable that, through public debate, a decision be reached as to how to split the money raised through global taxes between direct cash transfers and other important schemes such as climate change mitigation or global healthcare programmes. The administration costs of world basic income and any other programmes would also need to be covered.

Of course, these decisions ultimately and rightly should be taken through a global political process, and we sincerely hope that the views of people everywhere will be heard as part of this. As the campaign organisation for world basic income, we clearly hope that a significant proportion of revenues raised would be distributed directly to people as basic income. Direct unconditional cash has proven to be highly popular among people worldwide.

If the world basic income scheme is run by the UN, the legitimacy for raising global taxes and distributing them as cash emerges essentially from the legitimacy of the national governments that participate in UN democracy. It is possible that in future a more participatory global body may emerge, where people are represented directly rather than via their national governments. World basic income could operate legitimately in either case, and it is of course beyond the scope of our organisation to define how global democracy should operate.

Distributing cash worldwide will require equally immense efforts, in order to ensure people can register with the scheme, and to make sure the money reliably ends up with the right people on a monthly basis.

WBI envisages that people would be able to sign up for their world basic income directly with the global body that provides it. A simple, secure sign up system would need to be developed, probably involving self-registration on a smartphone using biometric ID such as a fingerprint or eye scan. Secondary confirmation processes may be required, and periodic re-confirmation may be needed to ensure that money is transferred only to real living people. It is likely that the global body that runs the scheme, i.e. the UN, would need to co-operate with national governments to arrange mass registration schemes, publicity campaigns, and – where appropriate – to triangulate the ID that individuals provide during sign up with national birth records. In the case of hostile regimes, alternative processes will need to be found. In remote areas and for more vulnerable groups, proactive registration campaigns will be needed, with workers approaching people directly to achieve registration. This will, of course, be costly, but would at least provide local jobs for registration agents, which would inadvertently bring that salary money into local economies worldwide.

None of these changes come without difficulties, and attention will need to be paid at all stages to avoid and mitigate any unintended negative consequences. Furthermore, all of these processes will take time, money and political co-operation on a scale that may currently feel out of reach.

But as all campaigners know, most big changes start off feeling like distant impossibilities. The changes needed to introduce a worldwide basic income would generally be positive in their own right, and should be fought for anyway. A global tax body could do wonders in preventing tax abuse, enabling governments worldwide to spend more on services like healthcare and education. Penetration of mobile phones and mobile banking can enable people to stay connected with each other, and can provide new income-earning and distribution opportunities. ID registration can give people better access to public services as well as crucial rights such as voting. We should work together worldwide to make these positive changes, and then, when possible, we should bring them together and introduce a world basic income. The world economy is ours to run, if we choose to do so. We should fight to use it for the benefit of us all.

A route-map to change

As discussed in the previous section, we need to support changes that achieve the component parts of a world basic income scheme, before we can bring them together to create the scheme itself.

This paper has focused on three Southern innovations, each of which provides a crucial component of the world basic income. The UN tax body could be used to raise the money. Direct cash transfers are the means by which that money can be redistributed. Mobile phone banking provides the necessary technology for those cash transfers to reach people everywhere.

Therefore, the first stop on our route map to change must be to support the campaigns and initiatives that drive forward these Southern innovations. We must raise our voices in support of the UN tax body. We must continue to drive forward cash transfer schemes and basic income pilots. And we must watch closely, and report loudly, as mobile phone companies worldwide inadvertently put in place the means to provide a global safety net. Further changes will need to be supported too. In particular, the UN (if chosen to operate the world basic income) will need to be much better funded, and given real powers and respect by all governments, especially those of developed countries. We must push our governments to take the UN seriously, and to begin using it more consistently for the global social good.

The eventual introduction of a world basic income is unlikely to come as a single 'big bang', at least in distribution terms. For practical reasons, and to minimise sudden macro- and microeconomic problems, it would most likely make sense to introduce it gradually. Global taxes could be introduced one by one, with adjustment periods and initial low rates. Distribution could be initially on a country-by-country basis, by age group (for instance beginning with a world basic pension or child benefit), or by some other means.

Given the dominant role played by national governments, the country-by-country approach for distribution is a likely way forward. For that reason some costing scenarios are presented in Table 2, assuming a basic income of \$10 per month is provided.

These scenarios illustrate how the revenue raised could be rolled out to countries as funds become available, and as registration campaigns progress. For global justice reasons, it makes sense to start with the poorest countries and progress from there.

Table 2

Countries	Cost/Year
Whole world	\$900 Billion
All countries with >10% living in extreme poverty (except India and China)	\$209 Billion
All countries with >10% living in extreme poverty in low income countries	\$68 Billion
12 poorest countries in the world	\$16 Billion
Sierra Leone, Liberia, Guinea	\$2.8 Billion
Sierra Leone	\$0.85 Billion

The preparedness of countries with respect to mobile banking, identification of citizens and governance would also need to be considered. World Basic Income has researched many of these issues which are summarised for the 12 poorest countries of the world in Annex 1.

Finally, it is recognised that such a dramatic change to redistributing and managing the world's assets is likely to encounter resistance from the most powerful quarters of the world. Mobilising grassroots demand for the scheme would be a priority and would go hand in hand with other progressive movements globally. Naturally that would include those interested in tax justice, basic income, climate change, fighting corruption, peace and justice, the rights of women and girls, and many other positive campaigns for change. WBI is a campaigning organisation and therefore aims to spread the message of WBI to as many people as possible both in the corridors of power and in the homes of the majority of the world's population that lives in poverty. The time will come for world basic income when people worldwide are demanding this from those that represent them.

Conclusions – How three Southern innovations could change the world forever

World Basic Income is a relatively new idea. Until recently we did not have the technology to identify the world's population or transfer cash to them. Nor did we have the prospect of global revenues, or a global body to collect them. Only recently have cash transfers been identified as an efficient method of addressing poverty, generating virtuous economic cycles, and achieving justice and social goals.

The synthesis of these ideas has the potential to eradicate extreme poverty, and to redistribute some of the value of the global commons to people everywhere, as we all deserve. The global community has been working to address poverty for decades, but it is yet to find solutions for the poorest billion, who continue to suffer unnecessarily while the world gets ever richer. North-South inequality has become so extreme, and so unjust, that few ideas have yet come forward to address it.

This idea is worth trying. It has intrinsic appeal. It is comparatively cheap, it solves the problem directly, and schemes like it have been highly popular and effective. It is based on evidence. And it could change the world forever.

Annex 1 12 poorest countries of the world (HDI rank) Basic Income Potential

HDI Rank	Country	Population	% living on <£1.90/day	Cost/year	Total Cost	Potential Pitfalls*	Comments
177	 Liberia	4,530,000	68.64 (2007)	\$543,600,000	\$2,718,000,000		Post Ebola, now probably poorer
178	 Guinea Bissau	1,693,398	67.08 (2010)	\$203,207,760	\$1,016,038,800	No mobile banking. Major problem	
179	 Mali	14,517,176	49.25 (2009)	\$1,742,061,120	\$8,710,305,600		Better than average ID and Birth Registration
180	 Mozambique	24,692,144	68.74 (2008)	\$2,963,057,280	\$14,815,286,400		Good mobile banking supported by WB Financial Inclusion Programme
181	 Sierra Leone	7,075,641	52.33 (2011)	\$849,076,920	\$4,245,384,600		Post Ebola, now probably poorer
182	 Guinea	11,628,972	35.27 (2012)	\$1,395,476,640	\$6,977,383,200	Mobile banking in infancy	Post Ebola, now probably poorer
183	 Burkina Faso	17,322,796	55.29 (2009)	\$2,078,735,520	\$10,393,677,600		Good mobile banking
184	 Burundi	11,178,921	77.65 (2006)	\$1,341,470,520	\$6,707,352,600		Good mobile banking
185	 Chad	13,670,084	38.43 (2011)	\$1,640,410,080	\$8,202,050,400	Potential good mobile banking	World Bank working on cash transfers
186	 Eritrea	6,380,803	No data	\$765,696,360	\$3,828,481,800	No mobile banking. Major problem	
187	 Central African Republic	4,709,000	66.27 (2008)	\$565,080,000	\$2,825,400,000	Negligible mobile banking. Major problem	Weak rule of law
188	 Niger	17,138,707	50.34 (2011)	\$2,056,644,840	\$10,283,224,200	Mobile banking in infancy	
Total		134,537,642	57.45	\$16,144,517,040	\$80,722,585,200		

In the above scenario, 77,291,875 people living on under \$1.90/day would receive \$10/month, MASSIVELY ALLEVIATING POVERTY. Most of the others receiving \$10/day under this scenario would also be considered poor. Some money would go to the richer members of these poor countries but this is an acceptable consequence of not paying the costs of targeting. None of the 62 richest billionaires live in any of these 12 countries.