

The Universal Basic Dividend

What is the situation?

Each time we google something, watch videos on YouTube or share something on Facebook, we contribute to the wealth of large multinational tech-companies. We improve their data and thus their marketing value. Furthermore, 80% of the technology used in our smartphones is based on university research, which is paid for by the public.

Other global companies like Bayer, Siemens, Daimler, Volkswagen or Total use publicly funded education, subsidies and national infrastructure (energy-, transportation- and communication-networks) to increase the value of their products.

Contrary to the common belief that private production generates wealth, which is then taxed for the common good, our wealth is collectively generated and then privatised to the advantage of the few.

As a result a few shareholders and businessmen are able to enrich themselves, while a huge part of the population is excluded from growing prosperity, aggravating worldwide inequality. Global demand has been stagnating for years, as wages fail to keep up with rising productivity.

Automation and digitalisation will continue to put pressure on the labour market and reduce the number of jobs. With falling wages demand will decline even further. As of now, our current economic system is undermining itself.

DiEM25 therefore proposes the following:

There is no sense in trying to impede technological progress but it should be used for the common good. That's why we propose a **Universal Basic Dividend**, which will allow European citizens to have a fair share of the benefits of increasing digitalization and automation.

Shares of profits, resulting from Initial Public Offerings (IPOs) and capital increases, will be transferred to the **European Equity Depository (EED)** and distributed proportionally to every citizen of the European Union.

This payment is modelled on the unconditional oil dividend, through which each year the citizens of Alaska and Norway share in the profits of the extraction of their local natural resources.

What else is there to know?

The welfare state is a huge achievement for the greater good of society, which we don't intend to weaken by any means. For this reason we reject a tax financed mechanism because it pits citizens in precarious labour conditions against citizens without any work at all.

That's why the **Universal Citizen Dividend** is not a tax but a dividend, which is designed to exist side-by-side with the welfare systems of today.

In addition, the dividend will further fuel the discussion around a Universal Basic Income (UBI) and will thus be an important step in this direction.