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A Living Income for Everyone on Earth

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1. Introduction

Even though there are enough resources for all the people on earth to live in dignity, about 125,000 people are now dying every day because of hunger and preventable and curable diseases, and many more are living in misery (Galtung 2005). The present economic system is a "killing economy". It creates a situation where a small percentage of the population controls the majority of income and wealth, with 2% of the world's population in control of 50% of the world household wealth (Davies 2006). It can and must be replaced by a "life-sustaining economy" (Galtung 2007).

A major portion of the world's population is prevented from attaining a dignified standard of living for a number of reasons. These include uneven distribution of profits, unfair trade regimes, and corruption. In addition to these are the policies of the World Bank and the International Monetary Fund (IMF), which emphasize cuts in government spending, at the expense of the needs of ordinary citizens who suffer as a result of these policies. Ostensibly, such policies are imposed to eliminate a country's budget deficit, but since they lead to higher unemployment, lack of citizens' purchasing power, bankruptcies of companies and thus lower tax revenue for the government, they actually aggravate the economic crises they are supposed to cure (Stiglitz 2002). One example of World Bank and IMF policies and their human impact can be seen in the damage caused by conditionality clauses. In the late 1980s and 1990s, international financial institutions launched their Structural Adjustment Programs in Africa, driven by conditionality, such as cost-sharing or user fees on health and education. The results were disastrous and ongoing. "One of the critical reasons for Africa's inability to respond adequately to the pandemic [AIDS/HIV] can be explained by user fees in health care (i.e. people can't afford to pay for treatment)" (Lewis 2005, p. 6). These programs concentrated on enhancing the private sector while curtailing and ruining the public sector.

The world economy now performs far below its full capacity. Many people are unemployed, factories operate below their capacity, not because of lack of need for their products, but because many people simply cannot pay for them. If more people could afford to meet their basic needs, this would create new demand and stimulate production. A living income would also

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enable many people to buy a small piece of land that they can cultivate to produce food for their own family and for sale. They can build greenhouses to grow vegetables or flowers in winter. If they pump the carbon-dioxide released by a nearby factory into a greenhouse, it can further increase production and help reduce global warming. They can buy some initial supply of goods to open a store or other small business, or buy some tools to perform a craft, focused on meeting basic needs. If they have talent, they can become artisans. Some can offer to teach courses and workshops. Muhammad Yunus (2003) has shown that even small loans can often make a big difference in people's lives. Demand backed up by purchasing power will generate new supply.

The current structure of the world economy is the main cause of suffering and global inequality as it ignores human connections and relations. Therefore, a major shift at the macro-level is required to create a system that can provide for basic needs. For the purpose of this paper we limit ourselves to material basic needs such as food, housing, clothing, health care and education. The three other major categories of basic needs besides well-being, namely survival, freedom and identity (see Galtung 2006), which need to be satisfied by non-monetary means, cannot be guaranteed with a living income alone, and require appropriate social structures and cultures.

A living income for all should also provide for social growth, grant people the chance to work with dignity, and rest on the basic ethical value that all human life is equal regardless of geography, economy, race, gender, age or beliefs.

The economic system that would accomplish these goals is one which has a living income as its backbone. A living income is a minimum level of income by which all people can provide for themselves and their dependents the above-mentioned five basic material human needs. This is not a new idea. Many countries provide unemployment insurance and insurance for the handicapped. Retired people have received pensions and social security payments in many societies for nearly a century. Dr. Francis E. Townsend, a dentist, observed during the Great Depression in the United States in the early 1930s that many elderly people suffered from hunger and cold, while the country had enough resources. In a letter to the editor in 1933, he outlined what became known as the Townsend Plan for a social security system, in which the government would pay a pension to all the elderly, and all those with jobs would pay a small contribution to support the fund. His idea found widespread popular support and led to legislation for social security. In this way, he became an unelected leader, by analyzing a problem, proposing a solution, and persuading others to help implement it (Tucker 1981).

The purpose of this paper is to examine how a living income will be financed, who will receive it, how it will be distributed and whether or not this system would be sustainable.

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2. Recipients

Our system proposes that all people in the world will be involved and benefit. Under the proposed system, every member of society receives a monetary amount corresponding to the living income of that country. In addition to this amount, every citizen will enjoy the same access to free public health care and free primary education. Although every citizen will receive the living income, including parents for their children, they will be taxed according to their income, with the wealthy bearing the greatest tax responsibility. In addition, the living income amount will not be cut off after a certain level of income is reached, otherwise there would be a disincentive to work and earn additional income. The system intends to support people while they are striving to improve themselves. Tax systems meeting these conditions will be discussed under point 3.2.

It is important that women receive the same income as men. Women tend to care more about the welfare of their children, while men sometimes spend part of their income on alcohol, tobacco or prostitution (Vollmann 2006). It would therefore be a mistake to give all of a family's living income to the husband.

3. Finance

3.1 Calculating Costs

To estimate necessary funds, a new veto-proof organization, the United Nations Living Income Organization (UNLIO) will be created. It will oversee the accumulation of data estimating the living income on a country by country basis. Financing, by mechanisms described later in this paper, will be centrally gathered by a veto-proof United Nations Living Income Bank (UNLIB). It will take into account the purchasing power parity in each country. This will be achieved through the identification and creation of a "basket" of goods, which will include the basic needs (food, housing, clothing, health care, education) of all people. These needs would be identified in a two-fold process, UN analysis coupled with public identification of needs through monitored surveys. The domestic cost of the "basket" will then be multiplied by the number of people (including children) living in the country. The United Nations will rely on data from both state and NGO organizations in order to get an accurate count of the number of people in each jurisdiction. Estimated costs will be adjusted on an annual basis, to reflect inflation and cost of living increases.

The UNLWB will not replace such organizations as the World Bank and IMF, because individual incomes cannot fully replace financing for projects at local, regional and national levels. However, the World Bank and the IMF must be reformed in order to pursue more humane and equitable policies.

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A rough preliminary estimate of the total costs of a living income scheme can be obtained as follows. The 42 countries considered "low income" by the World Bank (2006) with an average annual per capita income of less than \$876 or 651 Euro, ranging from Burundi with \$100 (74 Euro) to Ivory Coast with \$840 (624 Euro), had a combined population of 2'353 million in 2005 and an average annual per capita income of \$580 (431 Euro), largely because of India's population of 1'095 million with an annual per capita income of \$720 (535 Euro). The world's highest annual per capita income, \$59'590 (44'275 Euro) is found in Norway with a population of 4.5 million.

If we assume that the average annual per capita income of the 42 poorest countries is sufficient for a living income, and multiply it by the 2005 world population of 6'438 million (World Bank 2006), we obtain a total amount of \$3'734'000 million (2'774'400 million Euro). This includes about 840 million people who suffer from hunger, but the majority of them survive, with the exception of the about 40 million people, many of them children, who die unnecessarily each year from hunger and preventable diseases. This implies that some of the people in the 42 poorest countries do not have a sufficient income to meet their basic material needs. But this population also includes a small middle and upper class, which enjoys unnecessary luxuries. On balance, 431 Euro per capita per year may be a reasonable estimate for a global living income, although the minimum will be higher in countries with higher living costs. For the entire world population, this corresponds to slightly more than three times the official annual world military spending of \$1'120'000 million (Stalenheim 2006, Chapter 8; actual will be higher).

If we multiply the world population of 6'438 million by the average per capita annual world income of \$6'987 (5191 Euro) we obtain the annual gross world product of \$44'982'000 million (33'422'000 million Euro). A living income for everyone on earth would thus cost 8.3 percent of current world output. Given the enormous idle capacity in the world economy, this is something perfectly feasible!

3.2 Taxation

All recipients of the living income who have some additional earnings will be expected and able to pay income taxes. Income tax rates should be progressive, ensuring that the wealthiest citizens pay the highest rate of tax. The living income amount itself is tax free. Care must be taken that a higher income before taxes never results in a lower after tax income, as the scheme below ensures. Otherwise, there would be a disincentive to work. In today's welfare schemes, people who earn income often lose their benefits, which implies a 100% tax rate on earned income, and discourages people from seeking work.

A typical tax scheme for Country X, assuming the living income to be 1'000 Euro per year, would be the following:

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Earned annual income:	Tax (all figures are in Euros):
1'000	0
1'001-5'000	5% of (income - 1'000)
5'001-20'000	200 + 10% of (income - 5'000)
20'001-50'000	1'700 + 20% of (income - 20'000)
50'001-100'000	7'700 + 30% of (income - 50'000)
over 100'000	22'700 + 40% of (income - 100'000)

Someone with an annual income of 10'000 Euro would thus pay 700 Euro in taxes, or 7%. Someone with an annual income of 40'000 Euro would pay 5'700 Euro in taxes, or 14.25%. Someone with an annual income of 80'000 Euro would pay 16'700 Euro in taxes, or 20.875%. Someone with an annual income of 200'000 Euro would pay 62'700 Euro in taxes, or 31.35%. For extremely high incomes, the average tax rate approaches asymptotically 40% but never reaches it.

3.3 Accumulating Funds

The following proposals can help generate the necessary funding for the United Nations Living Income Bank (UNLIB) outlined above. All of the revenue accumulated through these initiatives would flow directly to the UNLWB.

3.3.1 Decrease of Military Spending

Currently the world spends approximately US \$1.12 trillion (=million million) per year for military purposes. We propose a massive reduction and redistribution of this spending towards the global living income fund. Governments would commit to reduce their militaries to defence forces only. This step alone would greatly reduce military spending. A percentage of a state's Gross National Product (GNP) would go towards a UN force, which would be independent of any state and constitute the world's only global reach security/peace force. Another percentage of GNP would go directly to the UN living income fund. The combined cost would in most cases be lower than the state's current military spending.

As an initial step to win wide acceptance for a standing United Nation Peace Force, which can replace national military forces, Henderson (2007) has proposed the creation of a "United Nations Security Insurance Agency" (UNSI). Those countries who join this agency would pay a membership fee, and in return could rely on this global peace force to protect them if they face aggression. Membership would be voluntary. The countries most interested in such an offer would probably initially be small countries, which are hardly able to maintain military forces that can match potential adversaries. As the system proves itself, more and more countries will wish to join, because membership costs considerably less than maintaining national defense forces.

This idea exploits the concept of scale economies: For every country to maintain its own defense forces is as wasteful

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as if every house in a community maintained its own fire engine. Big savings result if each family pays some tax for the maintenance of one fire company that can be deployed wherever and whenever needed.

Countries that take extra precautions to avoid war, such as having procedures in place to resolve disputes through mediation or binding arbitration, could get insurance at a reduced rate, in the same way as homes maintaining a fire extinguisher and built with fire-proof materials pay lower fire insurance rates.

In addition to helping protect countries against aggression and maintaining cease-fires in civil wars, this UN Peace Force could also be deployed on short notice to help protect lives in case of natural or industrial disasters. It would have transport planes, helicopters, medical equipment, food and emergency shelter available in adequate quantities. The United Nations Disaster Relief Organization now does not have its own standing force to respond to calls for help and depends on appeals to member governments and voluntary organizations to supply personnel and resources for disaster relief. That can introduce delays, which cost many lives. A UN Peace Force could also assist the UN High Commissioner for Refugees in providing temporary food and shelter to refugees from wars, political violence ecological disasters or famines. Some of the poorer countries can hardly afford to provide adequate help to refugees or victims of disasters.

3.3.2 Arms Production and Trade

A high rate of taxation on arms production, as well as their legal trade, may help reduce the number of arms, and will redirect part of the revenues towards the global living income fund.

3.3.3 Environmental Depletion Tax

A global system should be introduced that levies taxes on environmental degradation caused by industrial and household pollution. This tax includes levies on extraction of minerals, destruction of forests and other natural habitats, emissions of carbon dioxide causing global warming, chloro-fluoro-carbons destroying the ozone layer and other polluting substances. Besides raising funds for a global living income, such taxes serve at the same time another useful purpose: they help reduce pollution and conserve natural resources. Such taxes would also be easier to collect than income taxes.

Charging, for example, a carbon tax would be easy to administer. There would be no need to depend on individuals to declare voluntarily how much carbon-dioxide they released during the last year and send in a check (an administrative nightmare with widespread evasion and a large policing effort, comparable to the present income tax system). Instead, all that would be required is to observe how much coal is extracted at coal mines,

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or how much oil is pumped at wells or imported at harbors. The tax could be collected at a few central locations, with permanent inspectors, and it would then work its way automatically through the rest of the economy. Manufacturers who burn large amounts of fossil fuels would pass on the taxes they paid in the price of their products, and thus collect the tax indirectly from consumers. This would also reward consumers who switch to products that use lower quantities of fossil fuels.

Paradoxically, charging a tax on pollutants would not increase overall taxes, but help reduce them. This is easy to see with the following thought experiment: If gasoline were free at the pump, would we pay less for it? On the contrary, many people would begin to waste gasoline, and in the end, the taxpayers would have to cover the costs anyway. We would end up paying a much higher annual national gasoline bill, divided among all people, regardless of how much gasoline they used. This is the way in which we generally have dealt with clean air and clean water: by pretending they are free, we have encouraged people to waste them, and have paid far too high a price for them--if not always financially, then certainly with ill health.

3.3.4 Taxes on the Use of Global Commons

Taxes on resources outside of the jurisdiction of any national government could be collected by the United Nations Living Income Bank. This includes, for example, a 10 Euro charge on any international airline ticket, a sum that is hardly felt by travelers. The U.S. Department of State (2005) predicts that "According to some estimates, the number of airline passengers worldwide will grow by 4.1 percent a year over the next 15 years, doubling the number of passengers to 7.4 billion by 2020." If we assume that perhaps 20% of those tickets are international, this would contribute 14'800 million Euro to the United Nations Living Income Bank, or .4% of the estimated \$3'734'000 million for a global living income fund. If this helps ever so slightly to discourage some unnecessary travel, it also has a beneficial effect on the global environment.

Similar taxes can be collected from passenger cars, trucks and trains that cross borders, and from ships that cruise in international waters.

A resource that is outside of national jurisdiction is outer space. A certain fee could be assessed by the United Nations Living Income Bank on any satellite launch, for example 10 percent of the costs of the launch and the spacecraft.

To allocate the international radio-wave spectrum, part of that spectrum could be auctioned to the highest bidders, instead of being given away for free as is currently happening, which represents a huge subsidy to the richest people in the world. In 1995, the United States Treasury auctioned off a small portion of the domestic airwaves spectrum for companies planning to offer mobile telephone services, and raised nearly \$8'000

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million (six times the annual budget of the United Nations!). Who could conduct an international auction? Certainly not the United States Treasury, nor the Russian, French or any other government. No nation can arrogate to itself the right to sell global resources to others. Only the United Nations, or the United Nations Living Income Bank on its behalf, would be accepted by all countries as a legitimate and impartial auctioneer for global resources outside of any country's jurisdiction. Auctions also ensure that those who can make the most valuable use of these resources will obtain them, and they pay for them what they consider them to be worth, helping fund a living income for the less affluent.

As with pollution rights, bandwidth on the international radio spectrum should only be leased on a temporary basis, and no permanent property rights ought to be sold, otherwise we mortgage the rights of future generations.

Another example of a global resource is the limited number of 180 positions for geostationary satellites. If they are too close to one another, antennas on the ground cannot distinguish their broadcast signals without interference. These positions used to be issued for free to countries requesting them on a first come, first served basis. When only 23 positions were left, an American businessman came up with the brilliant idea of persuading the Queen of Tonga to claim the rest, planning to rent them to others at a high profit. The International Telecommunications Union faced the dilemma whether or not to grant that request, and if not, on what grounds. It finally decided to grant only 6 spots, to forbid renting them to others, and to claim them back if they were not actually used by Tonga within five years. Giving scarce resources away for free invites such frivolous claims, whereas competitive bidding tends to allocate them to the most efficient users and simultaneously raises some revenue.

Developing countries, which cannot yet compete on an equal basis in such auctions, should be given a fair share, for example by allocating 50 percent of global resources according to current population while auctioning the rest.

Another potential source of revenue for a Living Income are auctions of mining rights on the deep seabed outside of any country's jurisdiction. Such auctions can also help prevent disputes. When oil was first discovered in the 19th century in Texas, there were no rules. As soon as anyone found some oil, other companies rushed to the scene and drilled to get a portion of that oil. It even occurred that rival oil companies bombarded each other's drilling towers to get at the oil first, but they soon realized that they could never make any profit that way. Today they appreciate that the U.S. government grants exclusive drilling rights to the highest bidder for a parcel of territory. They pay something, but in return they enjoy the security and peace of mind that they can explore for oil without fear that someone else will come and take it away if they make a

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discovery. A similar service is needed also at the global level, to prevent future wars over global resources. In addition, it could help finance a living income fund.

Such auctions of global resources also help avoid divisive and difficult negotiations over how much each country should contribute, since the richer countries naturally end up paying a higher share, and they encourage resource conservation.

3.3.5 Tax Havens

Tax havens are often small enclaves scattered all over the world that provide individuals and/or financial institutions with the opportunity to stash away billions of dollars out of reach of their own national tax authorities. These inconsistencies in fiscal law across countries represent a major source of potential funding for the global living income. Major banks are involved by having branches in commonly known tax havens such as Liechtenstein, Gibraltar and the Cayman Islands. These avenues should be declared illegal and closed.

3.3.6 Increasing Tax on Unearned Income

Levying taxes on unearned income is a major means of redistributing wealth within a society. Contrary to current legislation in various countries abolishing inheritance taxes, these should be implemented as a progressive global taxation system to benefit the living income fund.

3.3.7 Multinational Corporations (MNCs)

MNCs currently enjoy favorable taxation in many countries from which they export. We propose that a uniform global tax rate be imposed on MNCs. This tax rate would be concentrated on profits, thus reducing the incentive of companies to pay low incomes to inflate their profits. Companies will be free to lessen their tax burden by reinvesting in the host country's economy through higher incomes, improvements in infrastructure, health and education, or other investments.

A uniform global tax rate is necessary, because otherwise countries are tempted to compete in attracting MNCs by offering lower tax rates than other countries. This race to the bottom hurts all countries.

3.3.8 Financial Derivatives Tax

Currently, financial derivatives, as well as mergers and acquisitions, are not taxed at all. Considering their sizeable market, a certain level of taxation could significantly increase the amount available to the global living income fund.

3.3.9 Currency Exchange Tax

James Tobin (1974, p. 89) proposed a small tax on every

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currency exchange, to dampen the high volatility of exchange rates, primarily caused by short-term speculation. Over 90% of currency exchanges are not for imports or exports, but for purely speculative purposes. Such speculation destabilizes the international currency system, which can be detrimental to regional economies and create poverty. The income from this tax can be enormous. Over \$1.9 trillion is traded every business day on global markets (Global Policy Forum, 2006). With even a very small tax on this figure, billions of dollars in revenue could be generated every year. For example, a 0.1% tax on currency exchanges, counting 250 business days per year when exchange markets are open, would yield an annual revenue of \$475'000 million, if the amount of currency exchanges remains unchanged. If such a minuscule tax were to lead to a 50% reduction in currency exchanges, the annual yield would still be \$237'500 million, or 6.36% of the estimated \$3'734'000 million for a global living income fund.

As an additional benefit, greater stability in exchange rates would increase international trade and investment, which is now discouraged by uncertainty about future exchange rates.

A similar tax on stock market transactions could help reduce the volatility of stock markets, and raise additional funds.

3.3.10 Value Added Tax

Many governments finance their operations mainly through a value added tax, which is collected from companies, and passed on to consumers. Some also collect sales taxes. Such taxes can also help finance a living income fund.

3.3.11 Customs Duties

Another major source of government revenue are customs duties on imports and exports. Some duties on imports have been set up to protect "infant industries" for a limited time from the rough winds of international competition, until the domestic industry has had an opportunity to improve quality and cut costs, to compete effectively on the world market. Such tariff protection should be gradually phased out. If it is permanent, it rewards inefficiency, without pressure to improve.

3.3.12 Tobacco and Alcohol Tax

Charging a tax on products that cause ill health and are addictive also serves a dual purpose: not only can it help raise funds for a living income for everyone, but it also discourages the use of such harmful products and thus promotes better health for everyone, including non-smokers who can contract cancer from being forced to inhale other people's smoke. In the future, it may even be considered to add a certain tax on sugar (which contributes to diabetes if consumed excessively) and animal fats (which contribute not only to obesity, but also heart attacks,

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strokes and cancer).

3.3.13 Luxury Goods and Services

Non-essential goods and services such as jewelry, designer goods, luxury cars, yachts, first and business class travel and stays at luxury hotels could be taxed to benefit the global fund.

3.3.14 Recycled Global Living Income Funds

Funds are made available to every single person; however, money that is not collected by individuals will be reinvested in the system at the global level. The advantage of this approach would be the creation of an act of "charity through omission", whereby individuals who do not collect their share of the available funds would in effect be donating that money back into the system.

3.3.15 Special Drawing Rights

From time to time, the IMF issues Special Drawing Rights, a weighted basket of the world's leading currencies, and distributes them to the richest countries. The same mechanism of creating currency could also be used to replenish the living income fund. The rich countries, which now control voting in the IMF due to a weighted voting scheme in their favor, would probably oppose this proposal. Therefore, the rigged voting scheme needs to be changed in favor of voting weights proportional to population, so that all people on earth have the same vote, as the principle of democracy calls for.

Tinbergen (1991) urged the rich countries to do more to help reduce the global income gap, if not out of altruism, then at least out of self-interest. If present trends continue, there will inevitably be streams of economic refugees from famine, ecological disasters and war to the advanced industrialized countries, and their people will not be able to maintain their current living standards. Therefore, programs to create greater global equality are in the interest of everyone.

3.3.16 Income Generating Activities Run by Governments

Many countries have nationalized certain industries, especially those which represent a natural monopoly, where a private company could charge monopoly profits, because it faces little or no competition. This includes railways, electric utilities, telecommunications, oil wells, mining, huge steel plants, etc. Privatizing such industries can give the superrich a means to exploit the rest of society with high rates of profit. It is often better to let the government operate such industries to keep prices charged to consumers within reasonable limits, and to use the profits generated to fund public services, including a living income for everyone.

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The government also needs to provide public goods and services, which private industry finds unprofitable, because it is difficult or impossible to exclude non-payers, and costs are independent of the number of users. Typical examples are the construction and maintenance of roads, public safety, public hygiene etc. For example, drying up a swamp to eliminate malaria-carrying mosquitoes costs the same regardless of how many people will be protected, and it is impossible to protect only those who helped pay for it. Therefore, such services are not provided by private industry that depends on selling its products, and government must step in.

Of course, care must be taken that public enterprises are run efficiently. If the government subsidizes industries that incur a deficit, and collects the profits from those that do well, this removes any incentive to work hard, to innovate, and to find out what products consumers want (Gorbachev 1987).

In addition to offering micro-credits to help lift people out of poverty, governments should also invest massively in industries that produce goods to meet people's basic needs, and create employment. Such investments will pay for themselves over time by generating sales and additional revenue. For example, the costs of building apartments can be recovered from rent collected in the future. Investments in renewable energy research and the fabrication of devices such as solar collectors, wind mills or bio-gas plants to harness it can be recovered in the future in the form of lower energy costs. Improvements in infrastructure for health, education, transportation and communication promote economic activity and help raise living standards. The ten year campaign to eradicate smallpox by 1977 cost \$32 million, and has since then saved \$17 billion in reduced spending on vaccines and health care costs, plus 45 million lives around the world (Banerjee et al. 2006). Governments or international organizations can fund research to develop pharmaceuticals that can cure various diseases, and make the results generally available. Withholding such life-saving information from people who need it causes thousands of avoidable deaths. It is a crime to patent and keep secret knowledge that is necessary to meet people's basic needs and save lives.

4. Distribution

As stated above, funds will be accumulated by the UNLWB. These funds will then be transferred to legitimate regional NGO's who, in cooperation with regional, state and local actors, will share information and allocate funds. We recognize that certain states lack the ability to distribute the funds to their own citizens. This may be due to insufficient logistics, or due to corruption and mistrust. States that are trusted and have the logistical ability should distribute the funding under NGO monitoring. States that lack this ability will be supplemented by an NGO organization that will distribute the funds according to the best method given the geographic and cultural

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requirements of the area. Of course, NGOs can also be corrupt, and therefore need to be strictly monitored by the citizens. Complete transparency and accountability is essential. "Sunshine is the best disinfectant." Distribution will take place on a quarterly basis, thus taking into account the difficulties affecting some rural inhabitants, such as nomadic and pastoral people.

The distribution of the living income could be achieved without monetizing the entire income. Fulfilling basic needs for health care and education does not require money from everybody using the services. The state of the current health care and education infrastructure will determine how the living income is distributed to each recipient. Satisfying the need for food, clothing and housing could continue to be monetized, but in some cases could also be provided at lower costs through free canteens, the distribution of free basic clothing, and the provision of shelter for the homeless.

A monitoring and evaluation network will be in place, which rotates yearly, to prevent abuses and corruption within the NGO/government relationship. States will be required to report to UNLWO on the program's performance. This report combined with the monitoring performed by the randomly selected coalition of NGOs and teams of international inspectors will provide a triple layer of security. The report generated by this monitoring would be made public. All distribution bodies would be subject to disciplinary action if these reports found evidence of abuse. All end-users are entitled to a special rapid court from within the UNLWO to protest possible diversion or squandering of funds at any stage of distribution. This would require recipients to be educated about their rights to the global living income so that they can demand accountability within the system. The UNLWO court would also have the power to investigate and monitor any organization that is involved in either the distribution or monitoring of the fund. Corruption can happen at all levels and within any organization, whether governmental or not. The court would have the power to investigate, collect evidence, try and punish any organization found to be abusing its power or the fund.

5. Sustainability

5.1 Will it generate income?

The program will create income assuming certain factors are introduced at the same time. First is the creation of a tax culture. Citizens must be able to afford to pay income tax. People in dire situations currently do not pay taxes because they simply cannot afford it and their basic needs do not include taxes. If one can pay taxes, and most importantly, feels one is getting something in return for it, one will. We should not assume that people will not climb the economic ladder and become relatively wealthier. If they are involved in this tax culture, they will continue to pay at a higher rate and the

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state has a reliable form of income, which can be redistributed. To end the Great Depression of the early 1930's in the United States, President Franklin Delano Roosevelt initiated the "New Deal". He printed money to finance work projects to build schools, hospitals, roads and electricity networks. This created thousands of jobs and thus increased tax revenue (Fischer 2007, pp. 189-190). This shows that in times of economic hardship a state is better off investing in people, thus raising tax revenue, rather than cutting spending, which only further restricts production and contributes to economic decline and thus reduces tax revenue, increasing a government deficit instead of eliminating it.

With all of humanity living with at least a living income, the world will have many additional consumers and producers. These consumers will not shop for luxuries, but purchase nonetheless. Combined with a greater concentration on regionalization and specialization, this will create a larger and more prosperous regional economy, which creates more jobs. Peru may not become a major trading partner with South Korea, but its trade with Bolivia may rise substantially. It is such expected developments that will herald the success of the global living income.

5.2 Money Management Education

Distribution bodies should provide money management courses that teach budgeting skills and entrepreneurship. One of the institutions that has made US agriculture one of the most productive in the world is the Agricultural Extension Service, in which retired farmers teach skills and management techniques to young farmers.

6. Conclusion

"One third of all human deaths - some 18 million people a year or 50,000 daily - are due to poverty-related causes (such as starvation, diarrhoea, pneumonia, tuberculosis, measles, malaria, perinatal and maternal conditions), which could be prevented or cured easily, and increasingly HIV/AIDS, which is still largely untreated among people in poverty. This death toll since the end of the Cold War in 1990 is about 270 million people, a majority women and children, roughly the population of the United States" (Reality of Aid Networks 2004, p. 3).

Poverty is the cause of millions of deaths every year. Millions more are denied access to education, employment, health care, and the ability to provide for themselves and their families. Poverty takes many forms and its effects are brutal. A global living income is a solution to many of these problems.

Giving people the means to provide for themselves not only reduces the gross injustice of poverty but also creates an

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economic stimulus, from which every citizen of the world could benefit. Billions of dollars are lost each year due to unrealized productivity. The fact of the matter is that people who are starving or struggling simply to survive are not productive nor are they good consumers. The rich nations of the world need to realize this fact and contribute to solving this problem.

Enormous productive capacity now lies idle: unemployment is as high as 80 percent in some countries. Unemployment is not only a waste of a valuable resource, but is also demoralizing and has been found to cause depression, divorce and even suicide (Tinbergen and Fischer 1987). For this reason alone, every effort should be made to employ everybody who is able to work. Most factories produce below their capacity, and many factories that could have been built were not, because of lack of consumers' purchasing power. Much potential agricultural land remains uncultivated. Sen (1981) has documented that famines are almost always caused by a lack of purchasing power of the poor, not by absolute shortages of food. Giving everyone on earth a living income would therefore not lead to inflation, but could liberate enormous productive capacity that currently lies dormant. One of the most underused resources to produce greater wealth for everyone is knowledge. Unlike many other resources, once new knowledge is discovered, it can be shared without limit, at almost no additional cost. If the least polluting and the least resource-, energy- and labor-intensive production methods known anywhere on earth were made available everywhere, everyone could be much better off.

Increased efficiency of production, especially from automation and robotization, now sometimes increases unemployment. But with better organization of production, this is not necessary. Rather than producing the same quantity of goods and services with fewer workers, it would be entirely possible to increase production, especially production to meet basic needs, while maintaining full employment, or to use environmentally sounder production methods, or both. If indeed less work is needed because everyone's needs are satisfied, the necessary work could be distributed more equally so that everyone worked shorter hours, rather than some working overtime and others being unemployed.

A global living income is an ambitious plan and would take years to realize. This does not mean that many of the ideas within the plan could not be implemented now. States must begin to put these ideas into practice and thus start social programs of their own. This will reduce the effects of poverty between the present and the time when a comprehensive global living income is realized.

Societies must open their eyes to the fact that we are all taking part in a global holocaust. As was stated above, millions are dying every year and these deaths are preventable. Creating a living income for all will show the world that we no longer

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wish to take part in the holocaust that is poverty.

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