# Compiled Evidence for Poverty/Economy Contention

### Uniqueness

#### Technology is producing massive inequality, need UBI to solve the impacts

Global English (Middle East and North Africa Financial Network), June 27, 2018 , Western scholars fixate on social justice as key to compete in tech, http://www.atimes.com/article/western-scholars-fixate-on-social-justice-as-key-to-compete-in-tech/

**A new study from Washington DC-based think tank the Atlantic Council, released this week , decried what it found was widespread complacency in the US regarding technological innovation**. China, the study found, still lagged behind the US in a variety of areas, but thanks to government support for the tech industry and long-term strategic planning, it was catching up fast. While the authors first and foremost highlighted a need for the renewed sense of urgency comparable to that seen after the Soviet Union's launch of its Sputnik satellite, it quickly veered into the world of social justice, an area not generally associated with America's technological successes of the 20th century. The study's recommendations focused on inclusivity, arguing **that governments need to acknowledge that 'even high-functioning tech ecosystems are exclusionary.' 'To correct this form of inequality and improve national economic performance, governments should encourage participation in tech innovation by women and girls, ethnic and religious minorities, and lower-income groups,**' the study said, without directly indicated how the idealistic goals would help countries compete in technological innovation. **The authors also spent a good deal of time advising on how to prepare for the disruptive impact that technological impact represents.** Their answer: **universal basic income** or guaranteed employment. 'One trendy idea is a guaranteed annual income. The concept is that because the new economy provides inconsistent employment opportunities--unlike the high industrial economy, which at its peak offered well-paying, lifetime employment--**people need to be given an income floor.**

#### A UBI is needed to redistribute income produced through capital gains. Alaska proves it works

Matt Brueing, June/July 2017, The Case for a Universal Basic Income, http://inthesetimes.com/features/universal-basic-income-federal-jobs-guarantee-capitalism.html

In America today, ***around two-thirds of the national income is paid out to workers in the form of labor compensation: wages, salaries, tips and benefits. The remaining one-third is paid out to capitalists in the form of passive income: dividends, interest, rents and capital gains. The capitalists do not work for their share of the national income. They simply own things and, by virtue of that ownership, passively extract income.*** **This arrangement would not be so disequalizing if the ownership of passive income-generating capital was evenly distributed, but it is not. Federal Reserve data show that millionaires own 80 percent of the country’s capital while the bottom 38 percent of Americans own none. This means that a small group of people receives the overwhelming majority of the nation’s passive income, which is one of the reasons *inequality is so high.*** For the last hundred years or so, market socialists like Rudolf Hilfderding, **Oskar Lange, Rudolf Meidner and John Roemer have argued that we should solve this problem by collectivizing the ownership of wealth into common pools. The Norwegian government made the idea work over the past few decades through nationalizing oil resources, creating dozens of state-owned enterprises, and just ordinary taxing and saving.** ,,,, In **Norway, the money goes into public spending, mostly on robust social welfare programs. Another answer is to fund a universal basic income, or UBI (also called a “universal basic dividend” or “social dividend”) for everyone in society. Such a program exists in Alaska and helps to ensure everyone benefits from the state’s wealth, not just the super-rich. In part because of this, Alaska is the most equal state in America.** Unlike a JG, **this kind of UBI has been tried successfully. Since 1982, Alaska has used investment returns from the Alaska Permanent Fund to pay out a universal basic dividend to everyone who lives in the state. In some years, the dividend has been as high as $2,072 for a single person or $8,288 for a family of four. If Norway paid a dividend from its much larger fund, it would have been $23,970 per person last year or $95,880 for a family of four. Both the Alaskan and Norwegian programs are wildly popular, work as advertised and could easily be copied by our national government.**

#### Massive global unemployment and poverty

Dr Ivor Blumenthal | CEO | ArkKonsult, June 2018, **:** Is South Africa headed down a road of jobless growth where a capital-intensive economy is incompatible with a labour-intensive need?

According to an International Labour Organisation (ILO) report reviewed in Forbes Magazine, 11 August 2017, **there are about 71 million unemployed 15 to 24-year-olds around the globe, many of them facing long-term unemployment. This is close to a historic peak of 13%.** It is a problem which primarily hits low-income countries especially hard. Even where there is work, much of it is low-paying. **The ILO estimates that about 156 million (or 38%) employed youth in emerging and developing countries were living in extreme or moderate poverty in 2016 - equivalent to less than $3.10 per day.**

### Impacts

#### Poverty outweighs nuclear war – magnitude and timeframe

Spina 2k (Stephanie Urso, Ph.D. candidate in social/personality psychology at the Graduate School of the City University of New York, Smoke and Mirrors: The Hidden Context of Violence in Schools and Society, p. 201)

This sad fact is not limited to the United States. Globally, 18 million deaths a year are caused by structural violence, compared to 100,000 deaths per year from armed conflict. That is, approximately every five years, as many people die because of relative poverty as would be killed in a nuclear war that caused 232 million deaths, and every single year, two to three times as many people die from poverty throughout the world as were killed by the Nazi genocide of the Jews over a six-year period. This is, in effect, the equivalent of an ongoing, unending, in fact accelerating, thermonuclear war or genocide, perpetuated on the weak and the poor every year of every decade, throughout the world.

#### Poverty turns war

MacMillan, former Director of the FAO’s Field Operations Division, 14

(Andrew, Higher Food Prices Can Help to End Hunger, Malnutrition and Food Waste, <http://www.ipsnews.net/2014/06/higher-food-prices-can-help-to-end-hunger-malnutrition-and-food-waste/>)

Any customers who give thought to how and where all the different foods are produced and end up in their shopping trolleys will start to uncover a rather disturbing situation. They will find that in most countries, people working at all levels in the food system – in supermarkets, in meat processing and packing plants, as fruit harvesters or farm labourers, or as waitresses in fast-food restaurants – are among the worst paid of all workers. They will discover that many of the skilled families that run the small-scale farms that produce most of the world’s food live precariously They are exposed to multiple risks caused by fluctuating markets, pests and diseases and extreme weather problems, whether frosts, hailstorms, floods, typhoons or droughts. They will also learn that in most developing countries hunger is heavily concentrated in rural areas, where some 70 percent of the world’s 842 million chronically hungry people live, largely dependent on farming, fishing and forestry. Much urban poverty results from people fleeing rural deprivation. And many of the conflicts that threaten global stability have their origins in areas of extreme poverty. It seems dreadfully wrong that the very people who produce so much of our food should be those who suffer most from deep poverty and food shortages. One reason for this apparently unjust situation is what economists call asymmetrical relationships in the food chain. For instance, supermarkets engage in cut-throat competition for customers by lowering their prices, reducing what they pay to their suppliers who, in turn, cut back on their workers’ pay. Most governments like to keep food prices “affordable”, claiming that it makes food accessible to poor families, thereby preventing hunger and malnutrition. The main policy instruments used by rich and emerging nations include tax-funded subsidies that compensate their farmers for low-priced food sales. They also set low taxes on most foods. The idea that low food prices will reduce the scale of the hunger problem is flawed since the main reason for people being hungry is that they cannot afford the food they need, even when prices are low. Rather than, as now, shielding all consumers from paying a full and fair price for food, it seems to make more sense to let prices rise and increase the food buying power of the poor. As Fair Trade customers have discovered, higher retail prices can be passed back to all those involved in the food production chain, especially farm labourers. They probably offer the best market-driven option for cutting rural poverty and hunger. But to eliminate hunger quickly, income transfers, targeted on poor families and with their value indexed to food prices, are also needed, at least until countries begin to manage their economies more equitably.

## Link

### Ensures Jobs.

#### UBI is needed to solve the problems of automation – 70 million will lose their jobs

Wayne Madsen, July 2, 2018, Arizona daily Star, Yes: Idea is prudent response to increased automation automation others for decades with idea of universal basic income

**The time for instituting a universal basic income has drawn closer than most people think. The rapid pace of workplace automation** -- encompassing everything from robots flipping burgers at fast food joints to performing routine hygiene at the dental clinics -- **means that skilled and unskilled laborers will soon be out of work. However, out of work should not mean out of money.** Replacing the standard minimum wage and even a comfortable living wage is the **universal** **basic** **income** or "UBI." UBI is a guaranteed fixed weekly or monthly payment to workers who have no future of employment as the result of being replaced by robotics. The UBI idea has turned into reality in several pilot programs undertaken in Stockton and Oakland, California; Manitoba and Ontario in Canada; and Finland, Scotland, the Netherlands, France, Italy and Brazil. A UBI has been advanced for decades by economists and political leaders ranging from Milton Friedman and Facebook founder Mark Zuckerberg to British philosopher Bertrand Russell and Dr. Martin Luther King. King championed the notion of a guaranteed income for all. It is noteworthy that King would have espoused a basic income. He wrote in his 1967 book, "Where Do We Go from Here: Chaos or Community?" that "the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income." Fans of the 1960s sci-fi television series "Star Trek" were introduced to a future where the Federation of Planets ended poverty through the use of "credits." It is known that King was not only an early "Trekker," but someone who grasped the future of increased workplace automation and a workforce that would be idled as the result of being supplanted by such technology. The future dreamed of by King and "Star Trek" creator Gene Roddenberry is already upon us. Increasingly, **there are more human laborers than jobs for them to fill.** To not enact a UBI in the face of advanced robotics is to ensure a restive population that will make the late 18th and early 19th century rebellion by anti-industrialization textile workers in England -- the "Luddites" -- seem like a minor labor disturbance by comparison. Policymakers can invest now in establishing a nascent UBI or they will surely pay later for their lack of action. The consulting company **McKinsey estimate**s that a third of the American workforce will be replaced by robots by 2030. That equals some 70 million workers idled by automation. **No politician would want to face a hostile voting population of 70 million people striving to survive in a world of rapid technology-induced unemployment. Legislators have a simple choice -- begin instituting a UBI today or face an angry population in 12 years or less.** A UBI should not even be a political issue. Workplace automation cuts across political demographic lines. Conservative rural areas in the United States are going to experience a 97 percent automation of farm jobs. The situation is no better in other manual jobs, with construction workers looking at 88 percent and truck drivers facing 79 percent automation of their jobs. Workers in conservative Fresno, California, will lose 54 percent of their mainly agricultural sector jobs to robots, while liberal San Francisco will see robots replacing over 42 percent of the labor force in numerous white-collar professions. **Critics of the UBI argue that workers will become unproductive to receive a free handout. The argument is specious. UBIs will ensure that basic human needs will be met, which will allow people to engage in other pursuits, including scientific research, art and writing in a modern renaissance era amid rapid global automation.**

#### UBI makes low wage employment possible

Yves Smith, May 1, 2018, Universal Basic Income and Minimum Wages: Progressive or Regressive? https://www.nakedcapitalism.com/2018/05/universal-basic-income-minimum-wages-progressive-regressive.html

So, traditional unemployment insurance– the concern is that it discourages people from going back to work, because their benefit level will decrease. So, for that purpose, the purpose of this study, it makes sense that they only studied the effect on unemployed workers. That being said, there is another criticism of the design of the Finnish study, which is that the stipend level was about 500 a month, which is not enough to live. It doesn’t actually free someone from the necessity of working. So, a criticism of the design of this study is that it actually– universal basic income of this type could actually be used as a way to subsidize, or promote, low wage or part time employment. So, that’s another criticism of the way this particular study was designed.

#### Studies prove guaranteed income doesn’t decrease incentive to work

Mallett 2/4/15 (WHITNEY MALLETT – Whitney is a writer and video producer, especially interested in how technology intersects with art, privacy, and criminal justice. – Whitney is a writer and video producer, especially interested in how technology intersects with art, privacy, and criminal justice. – “The Town Where Everyone Got Free Money” – Motherboard – February 2, 2015 – http://motherboard.vice.com/read/the-mincome-experiment-dauphin)

Critics of basic income guarantees have insisted that giving the poor money would disincentivize them to work, and point to studies that show [​a drop in peoples' willingness to work under pilot programs](http://www.bostonfed.org/economic/conf/conf30/conf30b.pdf). But in Dauphin—thought to be the largest such experiment conducted in North America—the experimenters found that the primary breadwinner in the families who received stipends were in fact not less motivated to work than before. Though there was some reduction in work effort from mothers of young children and teenagers still in high school—mothers wanted to stay at home longer with their newborns and teenagers weren’t under as much pressure to support their families—the reduction was not anywhere close to disastrous, as skeptics had predicted.

#### Basic income eliminates poverty

Timothy Roscoe Carter 2014 (Basic Income Earth Network, “The One Minute Case for a Basic Income”, http://basicincome.org/bien/pdf/montreal2014/BIEN2014\_Carter.pdf)

The one minute human rights case for a basic income: Poverty is not a natural tragedy like cancer or earthquakes. Poverty is a human caused tragedy like slavery or government oppression. Slavery is caused by societal recognition of humans as property. Government oppression is caused by governments punishing people for their beliefs or characteristics, and without due process of law. Poverty is caused by property laws that deny some people access to necessities. These types of tragedies can be ended by recognizing that humans have the right not to be subjected to tortuous conditions imposed by other humans. Humans have a right not to live in slavery. Humans have a right to be free of government oppression. And humans have a right not to live in poverty. A basic income is not a strategy for dealing with poverty; it it the elimination of poverty. The campaign for a basic income is a campaign for the abolition of poverty. It is the abolitionist movement of the 21st century.

### Reduces Welfare Stigma

#### UBI is an effective solution to these challenges

Vanessa Brown Calder 2017 (Policy analyst at the Cato Institute, “Universal Basic Income — Disease or Cure?”, https://www.cato.org/publications/commentary/universal-basic-income-disease-or-cure)

So, what are the arguments in favor of UBI? Depending on who you talk to, there are a variety of rationales for the idea. For one thing, an idealized UBI effectively sidesteps many of the traditional welfare state’s conventional problems. See figure 1 For example, many UBI proposals promise large efficiency gains. These occur both because some or much of the existing welfare state would be eliminated in favor of it, and also because printing checks requires minimal oversight and monitoring as compared to managing a complex welfare system (see Figure 1). Part of the promise of UBI is limiting bureaucracy and dollars lost in transfer. Closely connected to improvements in efficiency are improvements in transparency and fairness. The current welfare state rewards individuals who learn to “game” a complicated benefits system or individuals with the highest tolerance for standing in line. Under UBI, economically unproductive activities like these produce no additional payoff. Supporters also tout the soft social benefits of UBI. In theory, because individuals are provided for equally by the state, class division and social isolation would fall. The usual dividing lines between “takers” and “makers” would evaporate. For some people, choices to engage in non-paid work like caretaking or creative ventures would become possible. UBI also reduces or eliminates the paternalism that is typically a prominent feature of welfare programs. It does this by ending government’s role as the arbiter of eligibility to receive benefits. Under UBI, everyone is equally deserving. Then, once individuals receive their income, it allows them freedom to decide what to do with it: no seafood restrictions on your food stamps, or location restrictions on your housing voucher. For economists, some of these features recommend the policy. They look at UBI as decision- and utility-maximizing for the individual, as well as a program that avoids the steep benefit cliffs that penalize work. They argue that recipients are always better off with a cash transfer than an in-kind benefit. These benefits, in tandem with a reduction in overhead costs and efficiency improvement, make the idea especially tantalizing.

### Encourages Job Flexibility

Many argue that UBI will provide more job opportunities to people. When people are barely scraping by and living paycheck to paycheck, they are less likely to take risks which could entail losing their jobs. They don’t invest in new ideas of businesses, as they can’t provide for a family and also spend time trying to learn a new skill or start a new business. UBI would provide people enough of a cushion, or living ability, to allow them to take risks, which encourages more companies starting, offering more jobs, and a more skilled and productive workforce. Less time focused on meeting basic needs would also mean better healthcare, education, and productivity, as people can spend time improving themselves and their community, as opposed to working for survival.

#### UBI means freedom to pursue what one wants

David Calnitsky and Jonathan P. Latner 2017 (University of Manitoba and Bremen International Graduate School of Social Sciences, Basic Income in a Small Town: Understanding the Elusive Effects on Work , http://www.ssc.wisc.edu/~dcalnits/wp-content/uploads/2014/07/Calnitsky\_Latner\_Social\_Problems\_BI\_in\_a\_small\_town.pdf)

According to a leading proponent, Philippe Van Parijs, **the objective of basic income is to** **transform** the **deprivations linked to non-employment and poor**ly **remunerated employment into real freedom** (1995). **Real freedom requires** that individuals have **not just the abstract** liberal **right** to freedom, **but** the **financial resources to make freedom a lived reality**. Furthermore, **by securing individuals power to say no** (Widerquist 2013), **basic income** **reduces the vulnerability of poor and working people to exploitative relations in labor markets**.

#### UBI encourages employment and entrepreneurship by creating financial stability and increasing job satisfaction

Economics Network at the University of Bristol (“Universal Basic Income: debunking the scaremongering”, http://www.studyingeconomics.ac.uk/universal-basic-income-debunking-the-scaremongering/)

Furthermore, UBI could be seen as encouraging employment as people would no longer have to work jobs that they feel forced to accept in order to pay the bills. Knowing that they have an income to fall back on, more time will be spent searching for meaningful jobs that align with people’s values and ideals. Entrepreneurship is encouraged as those wanting to start their own business rely on personal savings to do so as unemployment benefits are not given to those seeking to start a business. Those previously unable to finance this option will, through UBI, have the financial means to start their own businesses which would otherwise not be possible. For example, there exists a minimum bar to entry relating to business start-ups. If an individual has only a small amount of capital, it makes entrepreneurship near impossible, yet UBI, in offering a constant form of income, negates this. UBI also encourages employment in so far as it adds to an individual’s sense of stability, and making things such as childcare and transport more accessible (Harris, 2016). UBI is thus more likely to incentivize employment than to dis-incentivize it.

#### This benefits the economy by increasing labor’s flexibility and worker’s productivity, while mitigating the harms of bureaucracy and automation

Scott Santens 3/21/2017 (“This is Why Experts Think All People Should Have a Universal Basic Income”, <https://futurism.com/why-experts-think-all-people-should-have-universal-basic-income/)>

Simply put, a basic income improves the market for labor by making it optional. The transformation from a coercive market to a free market means that employers must attract employees with better pay and more flexible hours. It also means a more productive work force that potentially obviates the need for market-distorting minimum wage laws. Friction might even be reduced, so that people can move more easily from job to job, or from job to education/retraining to job, or even from job to entrepreneur, all thanks to more individual liquidity and the elimination of counter-productive bureaucracy and conditions. Perhaps best of all, the automation of low-demand jobs becomes further incentivized through the rising of wages. The work that people refuse to do for less than a machine would cost to do it becomes a job for machines. And thanks to those replaced workers having a basic income, they aren’t just left standing in the cold in the job market’s ongoing game of musical chairs. They are instead better enabled to find new work, paid or unpaid, full-time or part-time, that works best for them. [[1]](#footnote-1)

#### UBI increases bargaining power of workers

Bohmer 17, Peter. [Peter Bohmer is a faculty member in Political Economy at the Ever-green State College in Olympia, WA. He has been an activist since 1967 in movements for fundamental social change.] 11-23-2017, ”The Human Right to Not Be Poor: A Proposal for a Radical, Not a Neoliberal Universal Basic Income,” counterpunch.org, https://www.counterpunch.org/2017/12/01/the-human-right-to-not-be-poor-a-proposal-for-a-radical-not-a-neoliberal-universal-basic-income/, accessed 2-11-2018

In the United States, wages are largely determined by the bargaining power of workers to improve their wages. Right now the bargaining power has been decreasing with the decline of unions, firms threatening to move offshore, and technical change, and this program while being insufficient would increase the bargaining power of workers because they would have the UBI as a minimum. Let’s say you’re facing a minimum wage job where you’re really treated badly, you would have this UBI as a fall back income. You wouldn’t have to take the first job you are offered. You could say you’ll only work if working conditions improve or if I get offered a better wage; so it would improve the bargaining power of workers. We need stronger labor union laws to make it easier to organize but this is one part of a strategy of improving the dignity of work and people’s wages and working conditions.

### Increasing Purchasing Power

1. [↑](#footnote-ref-1)