The False Promise of Universal Basic Income

The False Promise of Universal Basic Income

Long dismissed as utopian, proposals for a universal basic income are now gaining traction on both the right and the left. But UBI's supporters on the left should proceed with caution.

Alyssa Battistoni ▪ Spring 2017

Former president of SEIU Andy Stern presents universal basic income as part of a twenty-first-century vision for the labor movement. Is his faith misguided? (Center for American Progress)

Five years ago, dropping the abbreviation UBI in conversation would be more likely to earn you a puzzled glance than a knowing nod. But these days, universal basic income—a policy often glossed as "paying people for being alive"—is gaining popularity both in the United States and abroad. UBI, where everyone gets a regular check from the government regardless of what else they're doing or how they spend

it, is an old idea. But it has seen renewed interest since the 2008 financial crash: as millions of people lost their jobs and wondered whether they'd find new ones, some also began to wonder whether they needed to work at all.

UBI was recently endorsed by the Movement for Black Lives as part of a reparations program, while Canada's Leap Manifesto calls for consideration of UBI on the grounds of environmental sustainability. Jeremy Corbyn said last September that the Labour Party would investigate the prospects for basic income in the UK, and experiments are on the agenda in Scotland, backed by the left-wing SNP. In France, Benoît Hamon recently won the Socialist Party presidential nomination on a platform that included a basic income.

Growing public discussion has been accompanied by a small but significant number of experimental programs, mostly in Europe. Starting this year, about 250 people in Utrecht will receive €960 each month (about $1,030) from the government, while a Finnish experiment will pay between five and ten thousand people €550 (about $600) monthly. Neither amount is enough to live on, really, but they aren't negligible either.

The United States is home to the closest thing to a basic income program existing in the world today: the Alaska Permanent Fund. Since 1982, the fund has paid every Alaskan resident anywhere from a few hundred to $2,000 annually out of its oil revenues. But the most prominent supporters of UBI in the United States today are technocapitalists like Peter Thiel and Marc Andreessen, and with the exception of Alaska, basic income experiments are being implemented not by the state but the private sector. Most notably, the seed accelerator Y Combinator is starting a basic income pilot program in Oakland this year, proposing to pay a hundred families between $1,000 and $2,000 each month, "no strings attached."

It's often noted that Milton Friedman as well as Martin Luther King, Jr. supported basic income—and the new generation of advocates is similarly eclectic, running the gamut from Trump-supporting venture capitalists like Thiel to "fully automated luxury communists" like Peter Frase. There are, in short, many different reasons for supporting UBI—and just as many versions of what it could be.

One version functions as a kind of noblesse oblige—a handout to the unfortunates being made obsolete by robots smarter and more efficient than they are. Another version aspires to egalitarian universalism and challenges the legitimacy of privately accumulated wealth. There's a version that sees UBI as the spark for a generation of entrepreneurs, and another that simply attempts to stave off a revolt of the precarious masses.

Basic income is therefore often posited as a post-ideological solution suited to a new era of politics: the odd confluence of interest from the left and right tends to be read as a sign that political positions should be eschewed in favor of rational

compromise. But UBI's cross-ideological appeal is the bug, not the feature. Because basic income is politically ambiguous, it also has the potential to act as a Trojan horse for the left or right: left critics fret that it will serve as a vehicle for dissolving the remains of the welfare state, while proponents herald it as the "capitalist road to communism." The version of basic income we get will depend, more than policies with a clearer ideological valence, on the political forces that shape it.

Which is why the prospect of pushing for basic income in the United States right now—when the right controls everything—should be cause for alarm: UBI's supporters on the left should proceed with caution.

But that doesn't mean basic income is a lost cause. To the contrary, capitalism's inability to provide a means of making a decent living for the over 7 billion people currently alive is one of its most glaring defects—and one of the most significant opportunities for the left to offer an alternative. A universal basic income, though not the only answer, might point us in the right direction.

Raising the floor

Unsurprisingly, labor unions have been slow to get on board with a policy that suggests jobs may not be necessary. But as interest grows, UBI has picked up at least one convert from the labor movement: Andy Stern, the former head of the SEIU, whose 2016 book, *Raising the Floor,* explains why basic income is the way to "invent a better future."

Stern has long positioned himself as a visionary ready to lead the labor movement out of stagnant traditionalism toward new horizons. Within the labor movement, though, he's a controversial figure criticized for being too friendly with the boss. He's worked with Walmart on healthcare reform and with Paul Ryan on fiscal responsibility; in a recent interview with *Vox*, he described the labor movement as having a "boutique role" in representing employees. It was only a matter of time before he made powerful friends in the tech world.

Upon leaving SEIU in 2010, Stern describes catching the tech bug. He switches from a PC to a Mac and starts Googling; in industry rags like *TechCrunch* and the fringe-futurist site *Singularity Hub*, he reads about robot financial advisors, robot journalists, robot bartenders, robot hotel cleaners, robot guards, and of course, sex robots. In one jaw-dropping aside, he compares the number of people playing the online game "Mists of Pandaria" to the ranks of organized labor: "It had taken the entire American labor movement decades to achieve that much member power." What a time to be alive! And yet—what will happen to the 47 percent of workers whose jobs are purportedly at risk of automation? Stern, whose last book aimed to make America a "country that works," began to worry about the coming "jobless future." He doesn't mean there will be literally no jobs, of course—just not enough.

To figure out what to do, he talks to a lot of people. Stern talks to the investment banker Steven Berkenfeld—an executive at Lehman Brothers at the time of the 2008 crash, whose qualification to assess the future is questionable at best—who declares that "to put people over profits in this country is almost un-American." He talks to Carl Camden, the CEO of Kelly Services, the original temp agency—or, as Stern euphemizes, the company that "first saw the business potential in temporary employment." (The company became famous for calling its temp secretaries "Kelly Girls"; one 1971 ad proclaimed that a Kelly Girl "Never takes a vacation or holiday. Never asks for a raise. Never costs you a dime for slack time." And of course, "Never fails to please.") He talks to David Cote, the CEO of Honeywell International, who says that jobs are just "going to come"—they always have before.

Stern also talks to a few labor organizers, like Saket Soni of the National Guestworker Alliance and Ai-jen Poo of the National Domestic Workers Alliance, to understand the "dark side of the gig economy"—the side represented by day laborers sleeping rough in New Orleans after Hurricane Katrina and being paid a fraction of the money allocated to construction contractors. To understand growing economic inequality, he reads Thomas Piketty's *Capital in the Twenty-First Century,* sort of. ("Like most of the people who purchased the book, I read very little of it," he admits.) He hires a woman from Kenya to transcribe an interview, for which he's billed $4.67, and uses TaskRabbit to dismantle and ship his bike across the country, for which he pays $80 plus shipping. He eventually comes to the conclusion that the jobs that will remain after the robots come will be the best and the worst—Google programmers and Uber drivers. The latter will be so bad—so insecure and so poorly paid—that the swelling ranks of people forced to resort to them will need something else to get by. That's where basic income comes in: as the backstop of the gig economy.

A utopia for realists

The Dutch journalist and basic income advocate Rutger Bregman's case for UBI, meanwhile, is pitched not as a way to stave off a still grimmer future, but as our best shot at utopia. Advances in science, technology, and medicine mean that the prospects for human thriving are better than ever—and yet political ambitions have faded into technocratic tweaks, dreams of the good life answered with waves of consumer junk. Is this really the best we can do? Why is it that when just about anything seems technically possible, we seem unable to imagine anything genuinely inspiring? For Bregman, basic income represents the way to true human fulfillment—the post-work utopia that we need and that we can, in fact, achieve. It is a utopia for realists.

This utopia—to not have to work so much or so hard; to pass time in leisure rather than labor; to do what one wants rather than what one's told—is perhaps the oldest

of all. The medieval Land of Plenty was, in the words of one poet, where "money has been exchanged for the good life," and "he who sleeps the longest earns the most." And for more than a century, it's seemed within reach. Karl Marx, Benjamin Franklin, John Stuart Mill, Oscar Wilde, and John Maynard Keynes all looked at soaring productivity with the certainty that it would soon be high enough to satisfy people's needs and wants with just a few hours of work a week. In the 1960s, with automation on the rise, it seemed so imminent that the question wasn't whether people would have more leisure time—it was what they would do with it. Would we get bored? Waste all our time in front of the TV? Lose our purpose in life?

Such worries now seem charmingly naive. "We aren't bored to death," Bregman warns, "we're working ourselves to death." But it's not because the likes of Keynes and Mill were wrong—they just didn't account for politics. Instead of increasing leisure for working people, productivity gains went into growing profits for owners of capital. The 2008 financial crash and subsequent recession only made things worse. These days, instead of relaxing into a life of leisure, most people are working more in a desperate attempt to cling to their jobs, or working less than they need to support themselves.

Work is bad enough on its own. But Bregman argues convincingly that working less could also help solve any number of other problems—stress, climate change, disasters, unemployment, wealth inequality. In fact, increased leisure time is as close to a silver bullet as they come: "is there anything that working less does *not* solve?" Bregman asks. Instead of making people work to earn a living, then, why not just give them money—a universal basic income? Experiments consistently show that having adequate income makes you happier, healthier, and even smarter. Giving poor people money—whether it's to homeless men in London or quarry workers in Nairobi—turns out to be good for everyone. It reduces crime, child mortality, malnutrition, and teen pregnancy, and increases gender equality, educational outcomes, and economic growth.

But while Bregman is utopian, he isn't in thrall to technofuturists: he argues that to understand automation and its effects, we'd do better to study history than speculate about the future. After all, the robots have been coming for decades. The current surge of interest in basic income, too, has historical precedent: there was a wave of interest in the 1930s, and a larger swell in the late 1960s and early '70s; in 1969 Richard Nixon even proposed a bill (though it was never passed) for a form of basic income he called "negative income tax."

The 1970s also saw a smattering of projects putting basic income into action, with five trials occurring in North America. The most significant, a five-year federally-funded experiment with basic income in the town of Dauphin, Canada, in the 1970s was an unexpected success across the board. When people were guaranteed an income above the poverty line (around $19,000 for a family of four), they stayed in

school longer and spent more time with their families, while hospitalizations, domestic violence, and mental health complaints declined. In four experimental programs across the United States around the same time, meanwhile, people consistently worked fewer paid hours and put most of their spare time into parenting, independent artistic pursuits, and education. It turns out that people aren't indolent when they aren't forced to work (though would it be such a terrible thing if they were?)—they just do the kinds of work they actually want to do.

Bregman's case for UBI is powerful, animated by humanist principles and bolstered by pragmatic evidence. It's so convincing, in fact, that one's left wondering only why, if basic income is such an obvious good, it doesn't already exist. The problem isn't that basic income doesn't sound good enough—it's that it sounds too good to be true. This, in fact, is one of basic income's biggest political challenges: getting people to take it seriously. Politicians tend to be wary of endorsing such a seemingly pie-in-the-sky idea. A much discussed referendum in Switzerland last summer proposed a basic income at a significantly higher baseline—around €2,300—but resulted in a resounding defeat, with 77 percent of voters rejecting the plan. But none of the major national parties backed the initiative, which was understood more as a publicity tool for UBI than an actual campaign.

The programs of the 1970s, too, foundered on the shoals of politics. When a conservative government came to power in Canada in 1979, it scrapped the basic income experiment before it had even analyzed the results. In the United States, interest in UBI twisted into suspicion of welfare recipients under the rise of the New Right in the late 1970s. Though basic income went nowhere in the end, the robots stayed. And we're still living with what happens when automation isn't accompanied by a political response: stagnant wages, a crumbling middle class, declining union power, rising inequality.

Yet it's curious that UBI doesn't today seem to suffer from the same political challenges as those described by Michał Kalecki in his classic 1943 essay "Political Aspects of Full Employment." Kalecki argues that the challenges to achieving full employment are not economic but political: if people can make a living without taking whatever job they're offered, at whatever pay, the power that comes with the ability to fire—the most significant power a boss has—diminishes sharply. Basic income would do the same by virtue of providing a dependable source of income; thus its labor-left advocates point out that it would essentially act as a permanent strike fund.

Given that, why do bosses—at least the ones in Silicon Valley—seem to like UBI so much? Some of their enthusiasm may simply be well-meaning naiveté: as Sam Altman of Y Combinator says, "50 years from now, I think it will seem ridiculous that we used fear of not being able to eat as a way to motivate people"—as if this hasn't been one of the defining features of capitalism all along. Presumably freedom from

the need to earn a living will unleash people's entrepreneurial spirit, their inner innovator—rather than simply give us the chance to fish, hunt, and criticize just as we please. The view of UBI as the foundation of the gig economy, meanwhile, is a tacit acknowledgement that capitalism can't pay its full costs—a transfer of responsibility for a living wage from private employers to the public. Then there's an even worse case for UBI as pressure outlet: Stern argues that basic income supporters would do well to convince the anxious rich that it's their best bet to avoid "the guillotine" amidst growing inequality and desperation.

But you don't need to be Robespierre to be suspicious of a proposal that explicitly announces its intent to protect the rich from working-class rage—particularly when one of the major questions of UBI is where the free money will come from. Stern cautions UBI supporters against advocating a "soak the rich" tax on political grounds: the broad coalition that UBI requires will be impossible if the rich are against it from the start. (Alas, this is already the metric for most policies.) Instead, he proposes to fund UBI by cashing out major welfare programs (food stamps, housing assistance, the earned income tax credit) and charging a value-added tax on consumer goods; more tentatively, he considers a wealth tax, a financial transaction tax, and cuts to military spending. But funding a basic income by cannibalizing existing welfare programs and imposing regressive consumption taxes perversely places the burden of subsidizing low wages on the poor and working-class people making them in the first place.

That this is a proposal put forth by a former labor leader is a measure of the left's weakness. And indeed, Stern's view of labor's political prospects is remarkably dim. In fact, UBI is explicitly posed as a solution to the problem of declining union power: "It was time for me to look beyond unions for answers," Stern declares in the first thirty pages. Instead, he proposes a Basic Income Party that could run candidates in every Congressional district and threaten a tax strike—the weapon of the wealthy—until Congress agrees to vote on a basic income package. It's obviously a non-starter. But it reveals the limits of Stern-style unionism: start out collaborating with Walmart on healthcare, and soon you'll hope only for the dwindling state to throw a few bucks at the reserve army of Uber drivers tasked with ferrying the rich from one gentrified enclave to the next. Instead of fighting off the dystopian future, settle into the interregnum of the present, with all its morbid symptoms. But as the writer Ben Tarnoff has pointed out, the places where technological development hasn't produced a dystopian, jobless future (like Sweden) don't just have technology, they also have strong unions and a robust welfare state. The kind of starkly unequal society that Stern and other UBI futurists fear wouldn't just come about because the robots arrived—it would come about because only a few people owned them.

Recognizing this, Bregman explicitly advocates "massive redistribution" of money, time, and robots—that is, of income, work, and the means of production. All wealth is socially produced, he argues, and so it should be shared accordingly. It's not so

much that this time is different—it's that we have the chance to make it so. Though he stops short of inciting us to seize the robots outright, he advocates taxes on the wealthy and on financial transactions as a means to both fund basic income and disincentivize certain activities—like banking—that make money "without creating anything of value."

Though Bregman's version of UBI is far more appealing on the merits, his political program is disappointing. Ideas change the world, Bregman declares, and UBI is such an obviously good idea that we just need to spread the word. The last line of the book belongs to Keynes, the book's implicit hero, who famously said of ideas, "indeed, the world is ruled by little else." But of course, it's ruled by many other things—money and power chief among them. The fifteen-hour work week Keynes predicted didn't come to pass because the idea alone wasn't enough. More importantly, Keynes was talking about ideology rather than ideas per se, about the systems of thought that underpin our assumptions whether or not we know it, not just clever notions.

And the problem with basic income is that it tends to be read as an idea without an ideology. Bregman describes the pro-UBI movement in Europe as grassroots and "cross-ideological" in character. At the local level where most programs are proposed, the debate is largely pragmatic. The program in Utrecht, for example, is known as "Weten Wat Werkt" or "Knowing What Works," in acknowledgment that many see the current welfare system—which even in Europe has ceded more and more ground to workfare—as unaffordable and dysfunctional. But of course, what counts as pragmatic depends on the existing balance of political power. Even Bregman's own position, though solidly on the left, shifts between advocating for UBI as what the Belgian philosopher Philippe Van Parijs described as the "capitalist road to communism" and the capitalist road to . . . saving capitalism from itself.

Stern's post-ideological stance is even more blatant: at one point he imagines an exchange between the libertarian political thinker Charles Murray, whose 1997 book *The Bell Curve* famously argued for racial differences in intelligence based on genetics, and Martin Luther King, Jr. He argues that their disagreements about the relationship of basic income to the role of the state in society are simply diversions from their shared idea of giving people money. But these disagreements get to the heart of the matter. The debate about basic income is about the obligations we have to one another, the origins of property, the ends of human life, the shape of our society. And when these broader visions are translated into policy, they don't simply suggest a shared plan to give people money—they offer drastically different accounts of how much money people should get, where it should come from, and who should get it.

The leftist-futurist version of basic income is often described as a non-reformist reform, per Van Parijs's quip: a goal that's achievable within capitalism but that has

the potential to change the conditions of capitalism enough to lead beyond it. Basic income is the fully automated monorail to luxury communism, where we all own the robots and everyone gets what they need. This UBI isn't a backstop for bad jobs, but the material condition for human fulfillment. But not just any income will do: for it to be a genuine step toward a post-work society, it has to be genuinely universal and unconditional, provide enough income to actually live on, and supplement rather than replace the welfare state. This UBI is the one that draws from the Marxist feminists who pointed out the unwaged labor of social reproduction in the 1970s, the working-class women of color who fought for the rights of welfare recipients in the 1960s, and the architects of the Freedom Budget who attempted to translate the gains of the civil rights movement into a program for economic justice. They wanted not just a basic income but a sufficient one—one adequate not merely to survive, but to live a decent life, and maybe even a good one.

The right-wing version of basic income, by contrast, wherein paltry lumps of cash replace public services and goods, is a UBI not worth having. This version of basic income is a mechanism to streamline—a more accurate word might be "gut"—the welfare state in the name of libertarian ideas of freedom. People know what they need better than the state does, the argument goes; how people will be able to afford healthcare on $12,000 a year is less often addressed.

Who exactly should get a basic income is another question. It's sometimes called a "citizen's dividend," explicitly limiting recipients by nationality. More generally the "universal" is aspirational: basic income programs have only seriously been proposed at the national or local levels. So, as with other welfare programs, debates over basic income will undoubtedly be bound up with questions about nationality and migration. In the European context, we should be wary of the deployment of basic income to solidify Fortress Europe as the refugee crisis intensifies. In the debates over the Swiss program, for example, Luzi Stamm, a member of parliament for the right-wing Swiss People's Party, said he could imagine supporting UBI—but only for the Swiss. "Theoretically, if Switzerland were an island, the answer is yes," he said at the time. "But with open borders, it's a total impossibility, especially for Switzerland, with a high living standard."

In the United States, meanwhile, the combination of nativism and libertarianism that makes up the Trump coalition is particularly dangerous: it's hard to imagine any way a basic income program implemented in the Trump era would be anything but a vehicle for dismantling the remains of the welfare state while simultaneously reinforcing nationalism by excluding non-citizens from shared prosperity. That said, basic income doesn't seem likely to be on the agenda of the Trump administration anytime soon. Instead of inventing the future, Trump's move is to borrow from the past via boondoggles like the Carrier deal, which give public money to private companies in an attempt to revive a mid-century imaginary where men had real

factory jobs. Welfare programs, meanwhile, are likely to come under renewed attack from a Republican administration ready to slash government spending.

The apparent success of Trump's appeal to mid-century nostalgia, though, has thrown cold water on utopian visions. After a few years of UBI flirtation, the American left seems to be returning to full employment—rather than full unemployment—as a demand, particularly via the idea of a federal job guarantee. There's plenty of useful work to be done, of course, and like income, jobs should be distributed as evenly as possible. Remaking the ideology of work may be too heavy a lift for the next few years.

Still, we shouldn't stop pushing back against reifying work as the source of both income and social worth.

Ongoing expropriation and proletarianization have left billions worldwide in a condition of what historian Michael Denning calls "wageless life," rendered surplus to capital's needs and struggling to scrape by in a system that starts "not with the offer of work, but with the imperative to earn a living." And so while basic income sounds like a program for rich countries—a luxury made possible by a certain level of prosperity—it may be even more promising in places where it seems most unaffordable. In recent years UBI pilot programs have rolled out in Namibia, Kenya, and Uganda, mostly funded by NGOs; more generally, cash transfer programs, which aim to diminish poverty by giving poor people money—though often with specific criteria or restrictions—are the latest fad in development. Elsewhere, public support provides more in the way of livelihoods than do private wages: the anthropologist James Ferguson notes that more South Africans receive income from government welfare programs, whether child allowances or disability aid, than from waged labor. Basic income, Ferguson argues, may be the way to achieve social welfare in countries where the prospect of job creation on a scale adequate to the population is little more than a fantasy.

Of course, the above model, based on postwar growth in the United States and Western Europe, is now a fantasy here too. Donald Trump will fail to make America great again in the way he's promised. The factory jobs aren't coming back, and neither are 4 percent growth rates. Even the desperate deals to keep individual plants running won't stave off the robots: Carrier, for example, has already said it will put most of the money it promised to invest in its Indiana plant into automation. Which is why, despite the dangers of UBI, it remains an important time for the left to develop a view of a society less oriented around work: as the futility of Fordist nostalgia becomes more and more apparent, both here and around the globe, the left should seize the opportunity to push for a different view of what work should be, how much of it we should do, and what role it should play in our lives.

That will take time and a broad coalition—but not the one that Stern describes between the ultra-rich and the masses of gig workers, or even of post-ideological

rationalists described by Bregman. Instead, the elements of a staunchly left and genuinely political coalition—comprised of workers who need more leverage and the unemployed, those fighting for a sustainable environment and racial justice, care workers both waged and unwaged—are nascent but increasingly visible.

The left hasn't seriously organized around welfare rights for years. But in the coming years it will be more important than ever to defend what remains of U.S. social provision from Paul Ryan and company, particularly given the nasty racial tack that fight will undoubtedly take. And we can't defend welfare just as a backstop for vulnerable and unlucky members of society, or as a handout to the benighted poor, but as a fundamental and universal good for all. In other words, we should advocate for the exact opposite of the Clintonian welfare reform programs of the 1990s, and the only kind of welfare program that can build a broad and universal constituency for social provision rather than marking out the undeserving poor.

A recent *New York Times* op-ed argued for UBI as a kind of reparations for decades of unpaid work done by women, echoing socialist-feminist arguments about the value of social reproduction. The Movement for Black Lives endorsed basic income as part of a reparations program, in the model of a new Freedom Budget. The labor movement in the United States has understandably focused on higher wages, but it can—and must—also revive the demand for shorter hours and more leisure. Basic income isn't the only way to make that demand, and it isn't even a necessary part of it—but its utopian elements can help drive a more visionary agenda for labor.

None of the UBI proposals we hear today—in Canada, the United Kingdom, or in France—is likely to be quite the basic income imagined by luxury communists (there aren't enough of them to win an election yet), but they're a start.

Utopia is possible. If we want it, though, we'll need to make it a part of the demands and visions of the left movements we build over the next few years. Because we can't just invent the future—we're going to have to fight for it.

Alyssa Battistoni is a PhD candidate in political science at Yale University and an editor at *Jacobin* magazine.

Read Next

A World Without Work?

Aaron Benanav ▪ Fall 2020

Contemporary automation discourse responds to a real, global trend: there are too few jobs for too many people. But it ignores the actual sources of this trend: deindustrialization, depressed investment, and ultra-wealthy elites who stand in the way of a post-scarcity society.

Europe: Will This Crisis Be Different?

Sheri Berman ▪ Summer 2020

As the 2008 financial crisis made clear, without major change at the European level, social democratic responses to the coronavirus crisis will be out of reach for many countries across the continent.

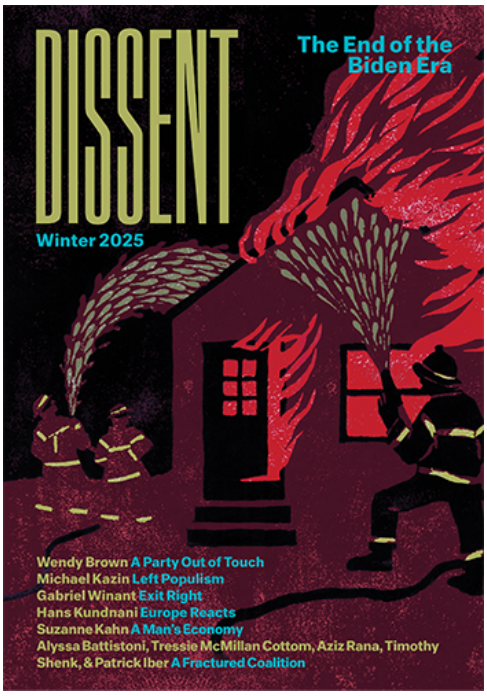
Fully Automated Luxury Socialism: The Case for a New Public Sector

Andrew Elrod ▪ Winter 2018

With ever more job-killing robots on the horizon, it's time to demand a new public sphere: one that guarantees not just jobs but leisure too.

While we have you:

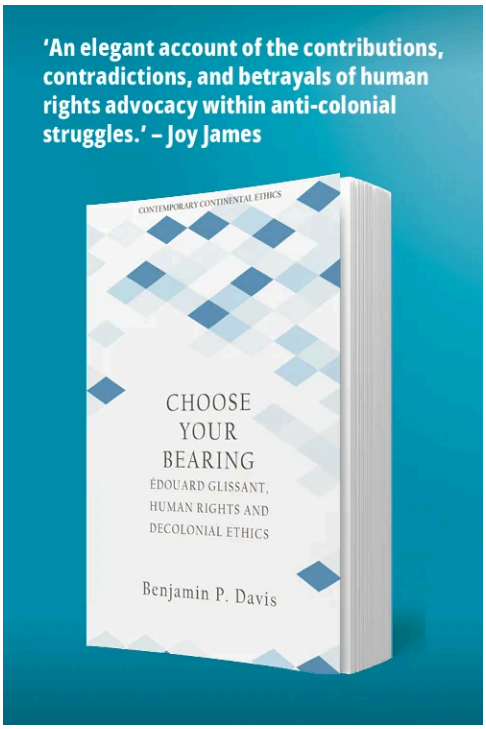
Please consider donating to Dissent. Your contribution will ensure that we continue to publish articles like this one. Donate $10, $50, or $500; we are grateful for gifts of all sizes.



Subscribe

Sign up for the *Dissent* newsletter:

Your email address → Subscribe


'An elegant account of the contributions, contradictions, and betrayals of human rights advocacy within anti-colonial struggles.' – Joy James
CONTEMPORARY CONTINENTAL ETHICS
CHOOSE YOUR BEARING
ÉDOUARD GLISSANT, HUMAN RIGHTS AND DECOLONIAL ETHICS
Benjamin P. Davis