Universel Kindness

A decentralized unconditional universal basic income guarantee, implemented using cryptocurrency and networks of social trust – an attempt at the total, direct and immediate abolition of poverty.

Will Breaden Madden

 \mathbf{DRAFT}

2019-05-24T1456

gPLv3

Acknowledgements

- 10 The name Universal Kindness was suggested by Karl Nordström, an occasional turn of
- 11 phrase was suggested by Gavin Kirby, I was introduced to Murray Bookchin by Liam Moore,
- and Stephen Ogilvy has advised on the merits of linen.

.. Contents

14	A	Acknowledgements						
15	Co	Contents						
16	1	Intr	Introduction, motivations, caveats					
17	2	Wh	y and how					
18		2.1	Imper	ial capitalism and the class system	8			
19		2.2	Artific	cial scarcity, technologies of decentralization and basic income	10			
20		2.3	Decen	tralized unconditional universal basic income guarantee system	21			
21			2.3.1	Blockchain	23			
22			2.3.2	Decentralized/distributed social trust graph as Sybil defense $\ \ \ldots \ \ \ldots$	24			
23			2.3.3	Demurrage, inflation and deflation	26			
24			2.3.4	Existence in tandem with other currencies	27			
25			2.3.5	Exchange rates	27			
26			2.3.6	National credit	28			
27			2.3.7	Revolution	28			
28	3	Oth	er use	${f s}$	30			
29		3.1	Reparations and debt forgiveness		30			
30		3.2	Direct	democracy	31			
31		3.3	Surveillance and privacy, and proletariat control over the admissability of					
32			evider	ice into court	31			
00		2.4	Crodit		39			

34		3.5	Similar, good ideas that may not be implementable using the proposed system	32		
35	4 Dangers		33			
36		4.1	Borders	33		
37		4.2	Tyranny of the majority	33		
38		4.3	Transparency	34		
39		4.4	Unintended consequences	34		
40	References					

Chapter 1

⁴² Introduction, motivations,

43 caveats

If a lot of people love each other, the world would be a better place to live.

Johnny



Figure 1.1

- Pierre-Joseph Proudhon, the first anarchist and yet deeply problematic person, rejected all political action as a form of class collaboration and argued instead that the working class can achieve its salvation through economic action alone.
- This document presents some ideas that are in pursuit of a society that values fairness and caring, intrinsically involving care of non-human nature, perhaps via some methods of communalist anarchy, and that has at its core the idea that no one should have to work just to survive. Described is a tool of social coordination to direct progress towards such a society: a monetary policy controlled by dictatorship of a proletariat. Decentralized networks of social trust and decentralized networks of cryptocurrency could possibly be used to create this decentralized form of coordination, a prioritised function of which would be a decentralized unconditional universal basic income guarantee. In short, we're talking about:



Figure 1.2

To each according to their needs.

Here, the slogan popularized by Marx has its symmetry broken because it could be interpreted as implying that there is scarcity of the resources required to ensure the needs of the people of the world, when this is likely not the case, as suggested by global food production capabilities, shown in Figure 1.3. This is with existing food production methods, which involve the atrocity called the animal industry. Leaving aside the horror of this industry, its inefficiency is remarkable: 16 kg of plants are needed to produce 1 kg of meat. A move to veganism would make the unreality of food scarcity even more clear.

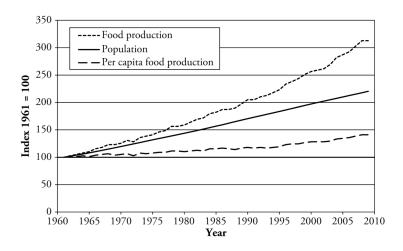


Figure 1.3: World food production from 1961 to 2009 [1]

- 65 Often socialists view an ideal economy as one in which remuneration is at least somewhat
- proportional to the degree of effort and personal sacrifice expended by individuals in the
- ₆₇ productive process. I argue that remuneration, or otherwise provision of fundamental needs,
- should not be coupled with ability or desire to commit effort or sacrifice, is a right a need
- a person gets to demand.

57

- ₇₀ If there are scarcities of resources needed for protection of fundamental needs, then we do at
- 11 least have guidelines on what some of the most important needs are, such as the Universal
- Declaration of Human Rights [2] (UDHR), and on how needs are prioritized, an example of
- which is the Corte Suprema di Cassazione ruling on Roman Ostriakov [3], who stole some
- 74 food in an action that was ruled a necessity for life; "il diritto alla sopravvivenza prevale

- su quello di proprietà" [the right to survival prevails over that of property] [4], which was
- based on the Italian legal doctrine 'Ad impossibilia nemo tenetur' ['No one is held to do the
- 77 impossible'].

81

- 78 Poverty exists even in the wealthiest nations. For instance, Philip Alston, the United Na-
- ₇₉ tions Special Rapporteur offered a statement in 2018 on extreme poverty and human rights
- violations in the contemporary UK [5].

British compassion for those who are suffering has been replaced by a punitive, mean-spirited, and often callous approach apparently designed to instill discipline where it is least useful, to impose a rigid order on the lives of those least capable of coping with today's world, and elevating the goal of enforcing blind compliance over a genuine concern to improve the well-being of those at the lowest levels of British society.

Philip Alston, 2018 [5]

- Regarding anarchy, an introduction to the topic is provided by the Philosophy Tube video
- Intro to Anarchy: Power & Violence [6]. An early comment on balanced anarchy yielded
- by computer networks was given by James Burke in the 1985 documentary series *The Day*
- the Universe Changed [7].

In describing this utopia as "anarchism," I might have also used an equivalent expression – "anarcho-communism." Both terms denote a stateless, classless, decentralized society in which the splits created by propertied society are transcended by new, unalienated human relationships. An anarchist or anarcho-communist society presupposes the abolition of private property, the distribution of goods according to individual needs, the complete dissolution of commodity relationships, the rotation of work, and a decisive reduction in the time devoted to labor. As this description stands, however, we have little more than the anatomy of a free society. The description lacks an account of the physiology of freedom – of freedom as the process of communizing. The description, in effect, lacks those subjective dimensions that link the remaking of society to the remaking of the psyche.

Murray Bookchin, Post-Scarcity Anarchism

Strict self-sufficiency approaches like Mao's backyard pig iron and Angka's isolationism have

proven to have a high likelihood of failure, and don't conceptually work well in a world of

⁸⁹ diverse location-based resources. Scotland has wind; Sudan has sunlight.

There is a tendency for human-created ideas to vastly prioritise human needs over the needs

of other people and creatures and systems of life. I want to emphasise that the use in this

document of words such as 'person' are to be extended beyond humans to others in nature,

93 including those created by human designs. I want to emphasise also that a fairer society

can be conceptualized only if there is a strong response to the climate emergency [8], and

that the climate emergency has been caused to varying degrees by projects concerned with

domination, profit, growth, structural violence, and general unconsidered unfairness in how

humans treat other humans and life generally.

The book *Utopia for Realists* by Rutger Bregman makes the statistical, economic and historical case for open borders and implemention of a universal basic income guarantee. At a

panel session in Davos 2019 (which was popularized by Bregman emphasising the need for

vastly greater taxation on extreme wealth), Bregman links the socio-economic benefits of

war-time, such as reducing wealth inequality, with the framing of responses to the climate

103 emergency as "the moral equivalent of a war". This is an inventive approach that should

be investigated, because it offers the possibility of addressing the climate emergency in tandem with the possibility of improving social wellbeing [9]. The *Global Green New Deal*, as supported by Alexandria Ocasio-Cortex and others, might be used for this purpose [10].

Caveat: if the mere existence of a form of commodification, such as the system proposed herein, impedes progress towards a better world, perhaps by supporting surveillance capitalism in some way, then this tool and others like it should be dismissed;

110

121

122

The examined life is actually not worth living.

Natalie Wynn [11]

There is a tendency for the powerful to attempt to claim nice-sounding phrases, such as 111 "Universal Credit". The UK Universal Credit system is a welfare payments system that 112 features sanctions and resulting deaths. It is possible that the use of this terminology by 113 the UK Tory government combined with the disastrous effects of its implementation will 114 scare people that have been subjected to it into fearing any change to the existing welfare 115 system and may even induce fear of terms like "universal" because they can represent 116 oppressive and painful changes. Even terms like "benefits" are manipulative and imply that welfare is not a right, but a privilege. So, I make no apologies for the use of the laborious, 118 redundancy-high, term 119

decentralized unconditional universal basic income guarantee

because it is more difficult to change the meaning of a larger number of words than a smaller number. I explicitly exclude terms like "citizen" because a basic income is demandable by anyone who needs it.

Chapter 2

$_{\scriptscriptstyle 125}$ Why and how

2.1 Imperial capitalism and the class system

The current monetary system is both impractical and unfair. Taken in political context, it concentrates a disproportionate power in a tiny minority of people. This promotes inequality 128 and injustice and a wealth of other problems, and is readily abused for the purposes of manipulation and control. The current system rewards and encourages greed and selfishness. 130 There are many, many ways by which the capitalism system enables wealthy individuals 131 and groups to gain political and legal and otherwise dominative and coercive power, some of which are lobbying, corruption, disinformation, manipulation and threats, and many of 133 which involve the undermining of both thinking and wellbeing via stress and poverty. In societies that permit capitalism (or in those that do not sandbox it), there ends up being a working class - that is the people who work for someone else - and a capitalist class -136 who are the people who have people work for them - and a middle class, which is usually comprised of working class people who live comfortably with noticeable social privileges 138 relative to working class people, and those who manage the working class for the capitalist class (and someone self-employed may be a member of the petite bourgeoisie).

The United States is deeply in debt – that was part of the whole Reagan/Bush program, in fact: to put the country so deeply in debt that there would be virtually no way for the government to pursue programs of social spending anymore. And what "being in debt" really means is that the Treasury Department has sold a ton of securities - bonds and notes and so on - to investors, who then trade them back and forth on the bond market. Well, according to the Wall Street Journal, by now about \$150 billion a day worth of U.S. Treasury securities alone is traded this way. The article then explained what this means: it means that if the investing community which holds those securities doesn't like any U.S. government policies, it can very quickly sell off just a tiny signal amount of Treasury bonds, and that will have the automatic effect of raising the interest rate, which then will have the further automatic effect of increasing the deficit. Okay, this article calculated that if such a "signal" sufficed to raise the interest rate by 1 percent, it would add \$20 billion to the deficit overnight – meaning if Clinton (say in someone's dream) proposed a \$20 billion social spending program, the international investing community could effectively turn it into a \$40 billion program instantly, just by a signal, and any further moves in that direction would be totally cut off.

Noam Chomskey, Understanding Power

This scenario suggested by Chomskey, considered with sufficient economic skepticism, is just one way by which a coordinated campaign by the wealthy can be formed against a social program in order to make it prohibitively expensive.

141

In almost all countries, income and wealth inequalities have increased vastly, partially defended and concealed from traditional legal systems and economics by wealth stashed in
tax havens. We have changed from a post-war time of liberalized financial markets to one
of rentier capitalism, wherein more and more wealth and income is siphoned by owners of
financial, tangible and intellectual property, leaving even wage labour incomes to stagnate
and reduce. Governments, often under the financial control of the wealthy, have increased
subsidies and tax cuts for the wealthy while reducing the welfare states and making such
things as welfare payments difficult to obtain, often to a deadly extent. Even more alarm-

156

2.2 Artificial scarcity, technologies of decentralization and basic income

I am now convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income

Martin Luther King, Jr.,

Where Do We Go from Here: Chaos or Community (1967) [12]

The Emergency Economic Stabilization Act of 2008 became law on 3 October 2008 for the purpose of bailout of banks in the 2007–2008 sub-prime mortgage fraud.

While development of ideas like it took place over many years, the original *Bitcoin* paper [13]
was then released on 31 October 2008, in possible response to this bailout, with the coinbase
field of the genesis block stating "The Times 03/Jan/2009 Chancellor on brink of second
bailout for banks." [14]. While the bailout act of 2008 was followed up by the *Dodd-Frank*Wall Street Reform and Consumer Protection Act in 2010 to reduce fraudulent and risky
behaviour, Bitcoin has continued to grow and has resulted in the development of a vast
collection of other cryptocurrencies.

Just as Napster and BitTorrent led to a global decentralized mechanism of opposition to 166 artificial scarcity of easily-duplicable data, and a decentralized mechanism of protection of certain rights, such as the UDHR Article 27(1) right to cultural participation and artistic 168 enjoyment, so too has Bitcoin become a global decentralized mechanism that bypasses authoritarian mechanisms of enforcement of monetary policy, and a mechanism of protection of 170 certain rights, such as the UDHR Article 12 right to privacy (applicable in the case of being 171 able to access drugs currently called illegal by authoritarian regimes), the UDHR Article 22 172 right to economic participation (of particular benefit to people in poverty who cannot access 173 banking systems and who are excluded because of risks of fraud) and the UDHR Article 19 right to freedom of expression (I will accept an IOU from anyone I personally deem fit, 175 thanks very much). It also assists in decreasing economic borders, such as country-level

sanctions and the forced sale of work for unfair rates. With government viewed as being substantially a form of technology, many other decentralized systems hint at other ways of forming and operating a decentralized government. One is the gradual migration of people away from brand loyalty to ratings loyality. One is the usage of VPN servers in various countries. As seen in the VPN server loads per country shown in Figure 2.1 and Table 2.2, perhaps certain inferences could be made about the popularities of various countries in terms of their privacy, legal or government climates.

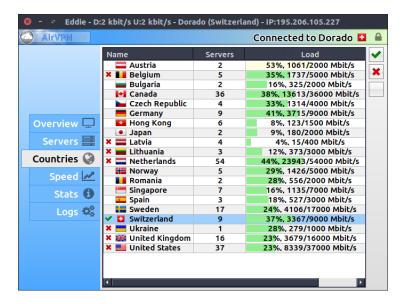


Figure 2.1: Load on VPNs of various countries in April 2019

Country	Load (%)		
Austria	53		
Netherlands	44		
Germany	41		
Canada	38		
Switzerland	37		
Belgium	35		
Czech Republic	33		
Norway	29		
Romania	28		
Ukraine	28		
Sweden	24		
United Kingdom	23		
United States	23		
Spain	18		
Bulgaria	16		
Singapore	16		
Lithuania	12		
Japan	9		
Hong Kong	8		
Latvia	4		

Figure 2.2: Ordered load on VPNs of various countries in April 2019 $\,$

Article 25 of the Universal Declaration of Human Rights states:

185

186

187

188

190

191

199

- 1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
- 2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

One way to ensure these UDHR Article 25 rights is through a decentralized mechanism of protection offered by a decentralized unconditional universal basic income guarantee. The decentralization aspect is critical because it ensures the global and universal nature of the protection, distancing it from implementation by an authority (which could change or rescind it, as has happened for other welfare measures in semi-welfare states like the UK) and reducing all borders (helping to progress to a point where no one is forced to sell their work at an unfair price).

Those at the lowest economic level, the poor white and Negro, the aged and chronically ill, are traditionally unorganized and therefore have little ability to force the necessary growth in their income.

They stagnate or become even poorer in relation to the larger society.

Martin Luther King, Jr.,

Where Do We Go from Here: Chaos or Community (1967) [12]

 $_{200}$ A decentralized system such as that described here $\it is$ a means of organizing the poor.

It is here suggested that an unconditional universal basic income guarantee is a possible way to undermine the inherent features of the capitalist system of oppression, domination, coercion and artificial scarcity, and it is also suggested that even if an effort to undermine those systems were not successful, so making the artifical scarcity an intractable problem, that the unconditional universal basic income guarantee could be a plug-in economic mechanism that acts as a constant mitigation to the capitalist system (and other oppressive systems). As MLK put it, "We have come to the point where we must make the nonproducer a consumer

or we will find ourselves drowning in a sea of consumer goods." [12]. The Marx/Engels 208 concept of withering away of the state is used to suggest that realization of the ideals of 209 socialism using the social institutions of a state makes the realized socialism self-sustaining 210 without the need for the state. In a complimentary way, though in the same spirit, the 211 unconditional universal basic income guarantee could be a method of withering those mech-212 anisms of oppression, both private and state, that impede both greater protection of known 213 rights and the exploration that is in pursuit of unknown rights. Use of a decentralized basic 214 income could be a Propagande par le fait [propaganda by the deed], a political action which is an example to others and serves as a catalyst for revolution. The idea is both to inspire 216 a spirit of revolt by demonstrating that the authorities are not omnipotent, and to offer 217 hope to the downtrodden. It is an approach that was approved in 1881 a the International Anarchist Congress of London [15]. 219

It has been suggested that a basic income is possibly best seen as a reform to the existing 220 monetary distribution systems and as something that exists in a free market economy. It 221 could modestly reduce economic inequality in a number of ways, the least of which is likely 222 to be because a flat-rate regular payment represents a larger share of the income of a poor person than it would for a wealthy person. It could reduce economic insecurity and chronic 224 economic uncertainty by strengthening social insurance against flexible labor markets and 225 technological distuption, particularly the continued rise of intelligent automation [16]. It, particularly as a decentralized, borderless system, could mitigate the global pandemic of 227 stress and depression. Indeed the evidence suggests that even the guarantee aspect, rather than the exact size, of the basic income reduces the intensity and prevalence of stress, 229 with that in itself giving people more control. Both the Ontario 2017 and Finland 2017 230 basic income studies (both of which were ended prematurely) suggested a sharp decline 231 in domestic violence and depression. A basic income would also mitigate the disgusting 232 "targeting" approach for welfare payments inflicted on poor people by governments through means-testing and behavior testing, often implemented by for-profit private companies with 234 a deadly conflict of interest. So in some senses an unconditional universal basic income 235 guarantee is protection of the right to economic security. It also slightly disincentivises high-profit, low-effort activities. 237

Another important consideration is that insecurity, inequality, stress and precarity may be associated with neo-fascism.

Global warming, climate change, pollution, and falling life expectancy rates all can be 240 collected under one term: extinction. As was seen with les gilets jaunes in France, unfair 241 distributions of taxation are unpopular because the poor are made to pay proportionately 242 more of their income than the wealthy. Steps in the right direction are seen in Canada and Switzerland, where high fuel and other eco-taxes are imposed with proceeds returned to the 244 people in the form of "carbon" or common dividends. A cross-party group in the USA has advocated a similar approach with the support of 27 Nobel Prize economists. Basic income studies have shown that those that receive it tend to do more useful work that is ecologically 247 and socially desireable, as opposed to resource-depleting labor (as Bregman calls it "bullshit jobs"). 249

The 2019 paper Basic Income for All: From Desirability to Feasibility [17] suggests that, in the UK, a basic income would:

- pay a significant, no-questions-asked amount of 10,400 GBP per year to a family of four,
- cut child poverty by more than a third and pensioner poverty by almost a third,
- narrow the inequality gap,
- lead to gains for three quarters of all households, with the largest gains among the poorest households,
- strengthen the universal element of the benefits system and reduce dependency on means testing and
- would take the UK back to the level of social security spending of 2010, but with much more progressive and universal outcomes.

The paper considers a few options for the introduction of a universal basic income guarantee, seeking to address particularly the usual criticism: that the basic income amount is either too small to make much of a difference or too generous to afford. I wish to emphasise that the exact amount of the basic income, which is distinct from other forms of social aid, such as disability support, *must* change such that it provides enough for fundamental needs. The
10,400 GBP number is merely a guide number that is suggested by a paper considered in
the context of the current political climate.

269

Two conditions are indispensable if we are to ensure that the guaranteed income operates as a consistently progressive measure. First, it must be pegged to the median income of society, not at the lowest levels of income. To guarantee an income at the floor would simply perpetuate welfare standards and freeze into the society poverty conditions. Second, the guaranteed income must be dynamic; it must automatically increase as the total social income grows. Were it permitted to remain static under growth conditions, the recipients would suffer a relative decline. If periodic reviews disclose that the whole national income has risen, then the guaranteed income would have to be adjusted upward by the same percentage. Without these safeguards a creeping retrogression would occur, nullifying the gains of security and stability.

Martin Luther King, Jr.,

Where Do We Go from Here: Chaos or Community (1967) [12]

As a decentralized plug-in, or virus, for existing political systems, an unconditional universal 270 basic income system might broadly be intended to move things towards equality of outcomes 271 - for people, species and ecosystems generally (where equality of outcomes is here supposed 272 to mean broadly a fair distribution of satisfaction with life, including satisfaction with degree of autonomy and perhaps including equality of perception), and towards non-competitive 274 behaviours. One candidate form of politics for pursuit of this is Murray Bookchin's commu-275 nalism. Shortcomings in the anarchic approach, however, concern tyranny of the majority; 276 specifically, the author suspects that a more protective approach should be considered in 277 order to ensure the needs of minorities instead of assuming that the anarchy system perfectly undermines tyrannical, dominative and oppressive behaviours. Welfare should be a 279 part of whatever system is implemented to attempt to ensure that there is a social safety 280 net that ensures that rights such as those listed in the Universal Declaration of Human 281 Rights cannot be denied. An example of tyranny under a proported anarchic system is the 282 pogroms, banditry and sexual abuse in the Free Territory of Ukraine [18].

The feature of the proposed system of a network of social trust also has the possibility 284 of not just protecting the UDHR Article 27(1) right to cultural paricipation, but could 285 also increasing the extent of that right by encouraging people to participate more fully in society. However, as the basic income is unconditional, universal and guaranteed, there 287 should be protections for those that do not wish to participate in the cultural life of society 288 or are excluded from society, such as has been the case of despised minorities, examples of which have been Jewish people, sexuality minorities and gender minorities. Fully addressing 290 such social exclusion is beyond the scope of this document, but the decentralized system should feature some protections against it and the system itself should not feature social 292 exclusion capabilities, the likes of which are seen in the Black Mirror 2014 Christmas special 293 White Christmas [19].

Rutger Bregman's Utopia for Realists has a chapter Why It Doesn't Pay to Be a Banker 295 which [spoiler] compares a strike of bankers and bank employees in Ireland with a strike of 296 sanitation workers in New York City. In 1968, the sanitation workers took the illegal option 297 of striking, resulting – in a matter of six days – in a declaration of a state of emergency and 298 - in a matter of nine days - in the sanitation workers getting their way. The bank employee strike of 1970 lasted six months, and the Central Bank of Ireland concluded that "The Irish 300 economy continued to function for a reasonably long period of time with its main clearing 301 banks closed for business" and, indeed, the economy grew. During this strike, Irish people 302 continued writing cheques, effectively printing their own cash, with the only difference in 303 the character of the cheques being that they couldn't be cashed at banks. Instead, dealers such as publicans could act as verifiers of trust and could accept the cheques. It was a 305 decentralized monetary system and it seems to have worked because of social cohesion. I 306 myself recall that this sort of fractional reserve banking certainly did not stop after this strike 307 and was implemented in my home town of Longford via Doyle's pub, seen in Figure 2.3.



Figure 2.3: Doyle's pub [20]

Bregman suggests that the fact that the Irish people implemented this decentralized banking
makes it clear that the society needed some form of financial sector.

It is beyond the scope of this document to describe and evaluate past implementations of basic income and past implementations of anarchism, but the book *Utopia for Realists* gives the former and histories of the Spainish anarchists, the peak implementation of modern anarchism, give the latter. However, I can mention that the slogan of the CNT/FAI anarchists was "Ni dios, ni estado, ni patrón" [No god, no state, no boss], widespread by the Spanish anarchists since 1910.

I had dropped more or less by chance into the only community of any size in Western Europe where political consciousness and disbelief in capitalism were more normal than their opposites. Up here in Aragon one was among tens of thousands of people, mainly though not entirely of working-class origin, all living at the same level and mingling on terms of equality. In theory it was perfect equality, and even in practice it was not far from it. There is a sense in which it would be true to say that one was experiencing a foretaste of Socialism, by which I mean that the prevailing mental atmosphere was that of Socialism. Many of the normal motives of civilized life-snobbishness, money-grubbing, fear of the boss, etc. — had simply ceased to exist. The ordinary class-division of society had disappeared to an extent that is almost unthinkable in the money-tainted air of England; there was no one there except the peasants and ourselves, and no one owned anyone else as his master.

George Orwell, Homage to Catalonia

As summarized in the documentary about Rojava *Accidental Anarchist*, contemporary movements such as Occupy Wallstreet, Occupy Sandy and, more recently, Extinction Rebellion are collectives of direct democracy, mutual aid and, arguably, socialist forms of anarchy.

317

321

The opposite of government-imposed order is not chaos: there's a deeper order concealed within human society which relies not upon coercion but cooperation and trust, built not by governments or politicians, but by people who realise at last their own true power.

Carne Ross, Accidental Anarchist [21]

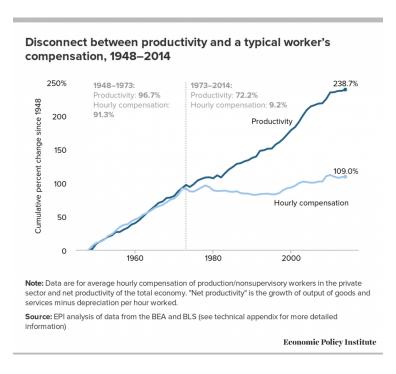


Figure 2.4

With technological, educational, and medical improvements, productivity has increased mas-322 sively over at least the last century, however, compensation has not been increasing to match it, as shown in Figure 2.4. This is plausibly something of a result of a fundamental problem 324 described by Marx: ownership of the means of production, and likely many other sneaky 325 methods besides. While taxation of automation is one approach to address this disparity, 326 decentralized ownership of the means of production, perhaps by means of decentralized 327 income and wealth redistribution, and it is an approach that does not (at least at face evaluations) require much battle with existing power structures. 329 In all of the unconditional universal basic income guarantee experiments (run everywhere 330 from New Jersey to Pennsylvania to Iowa to North Carolina to Indiana to Seattle to Denver to Finland, Mincome in Manitoba, as well as some smaller ones in Africa) the approach 332 improved health and education, boosted the economy, and ended poverty. Apart from new mothers, people didn't tend to work less when they received this income. In fact, particularly 334 as seen in the African unconditional universal basic income guarantee experiments, having 335

a reliable income enabled people to have more free time to educate themselves so that they
could advance to a new form of work, perhaps more enjoyable or meaningful, or to start
businesses or generally to take more risks. Even the likes of Nixon and Rumsfeld were pretty
much convinced by it [22]. *Utopia for Realists* by Rutger Bregman presents a referenced
analysis of the idea as it has been implemented through history.

While climate emergency and denial of fundamental needs are powerful justifications for efforts on caring methods to undermine capitalism, there is another concern: Yuval Noah Harari emphasized the urgency of building decentralized information processing systems that are more efficient than fascist information processing systems in the 2018 TED talk Why fascism is so tempting – and how your data could power it [23].

We are witnessing the gradual disappearance of the postwar British welfare state behind a webpage and an algorithm. In its place, a digital welfare state is emerging. The impact on the human rights of the most vulnerable in the UK will be immense.

Philip Alston, 2018 [5]

2.3 Decentralized unconditional universal basic income guarantee system

346

349

A hundred times every day I remind myself that my inner and outer life are based on the labors of other men, living and dead, and that I must exert myself in order to give in the same measure as I have received and am still receiving...

Einstein

It is possible that the emergence and rise to cultural prominence of cryptocurrency and networks of trust, which may be viewed as an extension of the free culture movement, offers a possibility of escape from the current systems of oppression and better ideas that it to improve the wellbeing of creatures of this world. A combined system of a social trust graph together with crypto verification is here referred to as a *crypto-trust* system.

Government, politics and monetary systems all can be viewed as technologies. Viewed as such, societal problems are technological in origin. Most of the ideas in the current

monetary and political systems were designed centuries ago, and they feature limitations
which suggest that the imaginations of their creators were limited by the comparatively
primitive technology of their times. The limits of our language, so to speak, are the limits
of our world.

The speed of light appears to be an important constraint of computational efficiency; a galaxy size computer would be slower than a microchip computer because of the distance over which computational elements must communicate. So, computational efficiency requires that we explore methods of decentralizing and distributing computations such that as much local computation as possible is accomplished. A decentralized or distributed system for monetary and welfare and history policies is needed for computational efficiency and will become more necessary as we expand throughout the cosmos.

Algorithms like Bellman-Ford can be used to determine arbitrage paths and flows of value between people, business, countries, city states and other entities. This, together with other considerations such as the number of users to which basic income is due, might be used by an automated decentralized unconditional universal basic income guarantee system to determine the basic income amount attributed to users per unit time, and might be used for funding and bailout calculations in order to improve economies.

An attempt has been Grantcoin, now called Manna [24]. Manna is administered by a 374 US non-profit organization. While perhaps well-intentioned and inherently against borders (due to its use of a decentralized blockchain), Manna features a number of flaws, one of 376 which is the organization acting as a gatekeeper, another being the organization acting as a 377 centralized control over the monetary policy, and another being the possibility to invest in 378 the currency. It intends to model itself on the Alaska Permanent Fund, which is a form of 379 basic income paid to all Alaskans which arise from profits from a capital reserve fund. Its emphasis is more on altruism and charity than on rights. Fundamental rights shouldn't be 381 subject to the whims of charity – that's why they're called rights. So, I view the emphasis of 382 the Manna approach as fundamentally flawed. However, the opening of the Manna mission statement is perhaps worth repeating:

We, the people of the world, recognize and declare that money is a social invention which can be changed by the people according to our values. As we witness the growing scourge ofinequality and its consequences, wesee that the existing system is unjustand unsustainable. Recognizing and accepting the moral obligation that arises from such knowledge, we stand united in the decision to create a better alternative: a currency of conscience designed to facilitate the emergence of a more just and sustainable global economic system.

Money By the People, For the People: The Manna Vision and
Mission [25]

- A decentralized unconditional universal basic income guarantee system might be defined by the following ideas:
- Blockchain is used to ensure the integrity of the currency (well, currencies) via distributed consensus, in the manner of Bitcoin and Ethereum.
- A social trust graph is used to attempt to ensure that there is a one-to-one relationship
 between a user and a wallet, in other words a defence against Sybil attack. This can
 be supplemented by gatekeepers of various forms.
 - An income rate definition or inflation/deflation algorithm, a basic version of which sets the income rate in proportion to the number of users in the system.

395 2.3.1 Blockchain

385

393

394

- 396 Blockchain is a reusable proof-of-work (effort/energy/work-based) approach to decentral-
- 397 ized/distributed ensurance of integrity of a record. Similar approaches that are energy-
- ³⁹⁸ efficient are under exploration currently.
- The decentralized unconditional universal basic income guarantee system features individ-
- ualized colored cryptocurrencies [26], with a specific color of currency corresponding to a
- 401 proported user, which is defined when the user joins the system. The user receives income
- 402 in the form of their colored currency over time, at a variable open source rate, which might
- 403 be calculated by reference to the number of users in the system and by reference to more

- $_{404}$ complicated ideas, such as open source economic analyses to lower the time it might take
- to reach societal economic prosperity or wellbeing more generally.
- The Austrian school of economics, which arguably features shortcomings like pure logical de-
- duction and a lack of scientific rigor, underlies the design of Bitcoin, with Bitcoin resembling
- 408 gold.

⁴⁰⁹ 2.3.2 Decentralized/distributed social trust graph as Sybil defense

- The social network Facebook has a security facility that enables a user to nominate a number
- of friends to vouch for them when they lose access to their account, as shown in Figure 2.5.
- This vote of confidence is a network of trust.

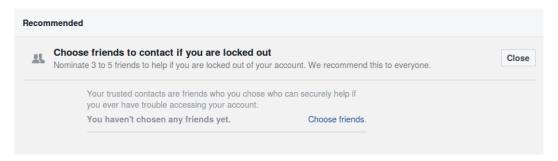


Figure 2.5: Facebook trust network

- $_{413}$ Graph-based Sybil defences can use social network graph properties to distinguish Sybil
- users from legitimate users. Some assumptions in a Sybil defense strategy could be that the
- ⁴¹⁵ legitimate social network graph features fewer edges between user vertices than the Sybil
- 416 social network graph and that a Sybil user cannot produce meaningful interactions in the
- 417 legitimate social network graph, even if it may infiltrate it. Other strategies have been
- 418 considered [27].
- 419 In this proposed social trust graph Sybil defense, in a sense, a social contract is being
- created wherein a user receives money unconditionally to engage with their community. It
- 421 is hoped that the social trust graph will be secured fundamentally by a careful population
- and population scale ideas like "six degrees of separation" [28], with analyses and gatekeepers
- as supplementary protections. New users are given a currency that is worthless by default

and they must take steps to increase its value. These social steps are the formal barrier to participation.

The canton of Zug is a region of Switzerland that has a low tax rate and a startup culture. 426 In 2017 Zug started to use uPort [29] for its Zug ID [30]. uPort is decentralized by storing identity data on IPFS and by using the Ethereum blockchain, but the Zug ID involves 428 centralized gatekeeping by in-person verification by a city administrator. It was scheduled to be used to test non-binding voting in 2018. This Sybil defense could be used but only as 430 a supplement to decentralized/distributed Sybil defences. This is because such a centralized 431 gatekeeper could make people beholden to it. Consider a bad, authoritarian government implementing income using a gatekeeper. It could wait until people are familiar with this 433 form of income and dependent on it, and then could start making demands on people to comply with it in order to keep receiving the income. Defences against such authoritarian 435 control must be present in the system. The idea of a basic income arises from rights, not 436 from a gatekeeper, whether that gatekeeper be a government office or a charity. 437

Gatekeepers *are* permitted in the system – one could imagine businesses, governments, social groups, living groups *etc.* having specific validation requirements or other logics to determine group membership. This would be a level of validation above the basic validation provided by the social trust graph, a level of validation which must be reasonably achievable by all users.

In this proposed decentralized unconditional universal basic income guarantee system, users
have the ability to trust the personal currencies of other users, which requires them to
treat this personal currency identically to any other currencies that they trust. As the
social trust graph becomes more interconnected, it is hoped that these personal currencies
converge on a single universal monetary system. All users receive income at the same open
source calculated rate, meaning that new money is distributed equally to all users at all
times. This income generation is the only way new money is created.

Strangers wanting to exchange money automatically search for a transitive chain of trusted currencies between each other. The payer trades along this chain of trusted currencies, one after the other, until they have one that the recipient needs. Such exchanges working in practice require a reasonable number of users in the system. Up to that point, the system is little more than passing IOUs between trusted users. Something like this routing capability
exists in the form of the Bitcoin Lightning network.

2.3.3 Demurrage, inflation and deflation

Demurrage, or negative interest, is the cost associated with holding a store of value over 457 a time [31]. For commodities such gold, demurrage is the cost of storing and securing it. For currency, it can take the form of a periodic tax, such as stamp tax, on currency hold-459 ings. The goal of demurrage currency is to ensure that cash is cash flow safe, wherein money is sure to return into the cash flow and this is accomplished not through inflation 461 or deflation (though these are not excluded from the currency) but through periodic scrip 462 payment to ensure that the money remains valid. The idea was suggested by Silvio Gesell, a German theoretical economist and anarchist libertarian socialist, as a way to undermine 464 the privileged position held by currency compared with capital goods and to undermine entrenchment of the financial elite [32]. The concept has been tested in the Bavarian cur-466 rency Chiemquier which requires an effective payment of 2 % of the value of a currency 467 note every three months in order to maintain the validity of an individual bill in order to undermine hoarding and also has been tested in the short-lived local Schilling currency of 469 the city of Wörgl, which appears to have protected the city from the economic depression in Germany of the 1930s [33, 34]. The Swiss WIR Frank (Wirtschaftsring-Genossenschaft 471 [economic circle cooperative]) initially also featured ideas from Gesell [35]. A cryptocur-472 rency that implements a form of demurrage is Freicoin, though Freicoin has the demurrage 473 fee paid to the developers as opposed to all other users [36]. The Freicoin documentation 474 suggests that Freicoin is an implementation of Bitcoin which loses approximately 5 % of its value per year, with destroyed money taken out of circulation and minted coins created and 476 distributed to miners, with the intention that the real capital required to secure the network 477 is comparable to the payments of newly minted coins.

Keynes considered demurrage currencies and concluded that having currencies experience a reasonable rate of inflation is preferable, and has the same effect of promoting investment and spending [37].

Inflation is used to disincentivize hoarding and to encourage economic activity. In a basic

inflation scheme, all user currencies issue progressively larger amounts of income per unit time, and this includes new users (ensuring that some mitigation of the Monopoly problem is built into the system – new players have a fair chance in the game).

2.3.4 Existence in tandem with other currencies

In the case of the *Chiemgauer*, there are different rules for nonprofits and businesses. Non-profits are incentivized to purchase Chiemgauer by adding 3 % to the value on converting from Euros to Chiemgauer and businesses are incentivized to stay in the Chiemgauer system by taking a 5 % commision from the value on converting from Chiemgauer to Euros.

The default system enforces a one-to-one exchange rate between all personal currencies, but

⁴⁹¹ 2.3.5 Exchange rates

492

less trusted users have currencies that are less valuable than established user currencies. This might be addressed by empowering users to limit the amounts they are willing to 494 accept from other users. Such an approach could cautiously be suggested as a way for some 495 majority of the population (perhaps as defined democratically in code) to limit the economic power of certain powerful people. Investigations resulting in the Panama Papers and the 497 Paradise Papers tell us of wealthy people of the world (often people who have that wealth through little expended time or effort, sometimes called inheritance or siphoning) that are 499 part of an enormous criminal conspiracy to dodge taxes and to hoard wealth in offshore 500 accounts, yet such conspiracies are resilient to traditional economic and legal mitigations. A global, decentralized monetary policy might offer a mitigation to these methods that is 502 not currently offered by existing systems of law and economics. 503 Methods of preventing bad mob rule (e.g. a population generally distrusting and disconnecting from a user for reasons other than trustworthiness) should be considered. Perhaps 505 there is a gatekeeper that represents rights (as opposed to tyranny of the majority) that can enforce verification of users or anonymisation of a user personal currency, though there 507 should not be a gatekeeper that can exclude a user from the decentralized unconditional 508 universal basic income guarantee.

510 2.3.6 National credit

This could be a part of the system that stores a small amount when it has beyond the resources needed to pay all basic incomes. This amount is used to ensure basic incomes when there are economic downturns. Could the system feature the ability to loan to itself in certain circumstances? This would be decided by economists.

515 2.3.7 Revolution

The system should be reliable and resilient. Bitcoin and Ethereum have been subject to intense hacking attempts and scrutiny so these should likely feature as the codebase, with Ethereum being the more likely candidate because it is more easily programmable.

How can the proposed system draw power from the existing systems? A group of people could agree to trial the system. The group will likely feature a mix of incomes and none. In participating, one approach could be for participants to give some fraction of their income to the system. The group should be designed such that the combined income divided equally between all participants is sufficient for a basic income for all participants.

On a larger scale, the enticement of the 'free' currency accessible to people for a one-time small degree of effort (comprising solely of installation of a program) could be enough. To use the currency there is then the effort of building a few social connections/verifications. Outreach in order to educate about the system would be straightforward. Perhaps people like Ash Sarkar and Owen Jones could be helpful.

Publically demolishing the arguments of the protectors of the wealthy could involve emphasis sis such as that used by MLK on consumerism: "We must create full employment or we must create incomes. People must be made consumers by one method of the other" [12]. I suggest, having seen video of people employed to cut grass using scissors in the Democratic People's Republic of Korea and having heard reports from my parents of USSR Moscow toilet attendants (one employed to greet, one to open the cubicle door, one to hand the single pieces of toilet tissue and so on) that the latter must be the emphasis.

536

I believe we ought to do all we can, and seek to lift outselves by our own bootstraps but it's a jest to say to a bootless man that he ought a lift himself by his own bootstraps.

Martin Luther King, Jr.

Chapter 3

Other uses

3.1 Reparations and debt forgiveness

Large groups within social trust networks could conclude that they are due reparations
and the system could feature some reweighting of all currencies in the system such that a
large group that is due reparations is granted the reparations in the form of, say, preferential
exchange rates. An ideal example would be an attempt to bring people today to the economic
state they would have been at were slavery not to have happened. Conversely, large groups
within social trust networks could mitigate or cancel debt of others if the debt is deemed
unfair.



Figure 3.1

At smaller scales, other debts and expenses could be mitigated. For example, in the time before landlords are abolished, the exchange rates of landlords could be defined by society to be of a worth that means that any rents they have received are immediately redistributed back to the render.

551 3.2 Direct democracy

Switzerland is a country with one of the more direct democracies. A crypto-trust system could make the running of direct democracy, popular initiatives, voting, power of recall, and so on much less laborious.

3.3 Surveillance and privacy, and proletariat control over the admissability of evidence into court

Soussurveillance is personal surveillance, for example by way of a camera worn by a person.

Inverse surveillence is a subset of soursurveillance and is surveillance of surveillance, usually

surveillance of the surveillance activities or technologies of an authority. Soussurveillance or other small-scale surveillance systems could record to encrypted databases which are decryptable using only crypto-trust systems. For example, courts could be limited from permitting surveillance recordings to be admitted as evidence unless they have been decrypted by a majority of people in a crypto-trust system.

564 **3.4** Credit

Smart contracts, similar to the form seen in Ether, implemented in the crypto-trust system could be used to implement forms of mutual credit bank, an interest-free loan system with credit provided voluntarily by users of the crypto-trust system.

3.5 Similar, good ideas that may not be implementable using the proposed system

While private decentralized organisations of humans and private decentralized contracts systems have been implemented to some degrees, this may be beyond the capabilities of the system proposed here. For privacy, say in purchasing delicious 1P-LSD, systems like Zcash and Monero have more developed methods of privacy than Bitcoin.

$_{\tiny 74}$ Chapter 4

575 Dangers

576 4.1 Borders

Everyone has the UDHR Article 13(2) right to leave any country and the complimentary right to free migration. In *Utopia for Realists*, Rutger Bregman argues that country borders (which have been enforced largly only since WWI, when border enforcement was introduced as a war-time emergency measure) are the greatest form of unfair discrimination today. For the case of the European migrant crisis of 2015, a protection against the tyranny of the majority that was the opposition to and oppression of migrants, another protection is open borders.

4.2 Tyranny of the majority

The framers of the United States Constitution did not envisage direct democracy because
they saw a danger in the tyranny of the majority. A direct democracy, monetary policy,
unconditional universal basic income guarantee and so on implemented using a crypto-trust
system must have protections against tyranny of the majority. One protection for this is a
population educated on oppression such that it is less likely to oppress. Another protection
is representatives that are subject to the scrutiny of anarchy.

4.3 Transparency

Ivan Krastev said in his talk *Can democracy exist without trust?* [38] that there are unintended consequences associated with transparency in government systems that feature
humans, that transparency can be used as a way to silence humans in government. While
the proposed system should plausibly not intrude on this (particularly given such economic
privacy techniques as Zcash), it might have some unintended consequences relating to this.

⁵⁹⁷ 4.4 Unintended consequences

Copyright was defined originally in the USA in the context of improving society; it was categorically not a recognition of some form of right to censor ideas. It was designed to mitigate the bad effects of individuals and groups keeping innovative ideas secret. While perhaps this was laudible, the system has become subject to mass manipulation enabled by monetary power and technologies such as *Content ID* [39].

An unconditional universal basic income guarantee is direct and promising but potentially
as complex in implementation as the current social welfare systems. A naïve approach
would set a basic income amount in stone at the lowest levels of income and would have
the consequence of perpetuating poverty; the dynamic approach of changing the amount to
match the median income is more promising. However, any of the ideas of this proposal
could have many unintended consequences. They should be modified or supplanted as is
reasonable.

The curse of poverty has no justification in our age. It is socially as cruel and blind as the practice of cannibalism at the dawn of civilization, when men ate each other because they had not yet learned to take food from the soil or to consume the abundant animal life around them. The time has come for us to civilize ourselves by the total, direct and immediate abolition of poverty.

Martin Luther King, Jr.,

Where Do We Go from Here: Chaos or Community (1967) [12]

610

References

- [1] D. Lam, How the World Survived the Population Bomb: Lessons From 50 Years of Extraordinary Demographic History, Demography, 48 (4), 1231-1262 (November), doi: 10.1007/s13524-011-0070-z, URL https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3777609/pdf/nihms335409.pdf
- [2] United Nations, Universal Declaration of Human Rights, URL https://www.un.org/en/universal-declaration-human-rights
- [3] S. Kirchgaessner, Theft of sausage and cheese by hungry homeless man 'not a crime',
 The Guardian (May 2016), URL https://www.theguardian.com/world/2016/may/
 03/theft-sausage-cheese-hungry-homeless-man-not-crime-italy
- [4] M. Gramellini, *Il diritto di avere fame*, La Stampa (May 2016), URL https://www.lastampa.it/2016/05/03/cultura/opinioni/buongiorno/
 il-diritto-di-avere-fame-rNMKcewcPiKTU9FvY7COnK/pagina.html
- [5] P. Alston, Statement on Visit to the United Kingdom, by Professor Philip Alston, United
 Nations Special Rapporteur on extreme poverty and human rights (November 2018),
 URL https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf
- [6] Philosophy Tube, Intro to Anarchy: Power & Violence (January), URL https://www. youtube.com/watch?v=bCAUmh99hMI
- [7] J. Burke, Worlds Without End: Changing Knowledge, Changing Reality, The Day the Universe Changed (May 1985), URL https://www.youtube.com/watch?v=mB8_ wPei2ZM

- [8] Climate Change: A Cross-Party Consensus for Action, URL
 https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/
 joint_committee_on_climate_action/reports/2019/2019-03-28_
 report-climate-change-a-cross-party-consensus-for-action_en.pdf
- [9] R. Bregman, World Economic Forum (January 2019), URL https://www.youtube. com/watch?v=r5LtFnmPruU&t=14m40s
- [10] Wretched of The Earth, An open letter to Extinction Rebellion (May 2019), URL https://www.redpepper.org.uk/an-open-letter-to-extinction-rebellion
- [11] N. Wynn, XOXO Festival (November 2018), URL https://www.youtube.com/watch? v=0Ix9jxid2YU&t=3m10s
- [12] J. Martin Luther King, Where Do We Go from Here: Chaos or Community (1967)
- [13] S. Nakamoto, Bitcoin: A Peer-to-Peer Electronic Cash System (October 2008), URL https://bitcoin.org/bitcoin.pdf
- [14] S. Nakamoto, The Times 03/Jan/2009 Chancellor on brink of second bailout for banks.

 (January 2009), URL https://en.bitcoin.it/wiki/Genesis_block
- [15] M. Abidor, Death to Bourgeois Society: The Propagandists of the Deed (2016)
- [16] S. Santens, Deep Learning Is Going to Teach Us All the Lesson of Our Lives:

 Jobs Are for Machines (March 2016), URL https://medium.com/basic-income/

 deep-learning-is-going-to-teach-us-all-the-lesson-of-our-lives-jobs-are-for-machines-7c64
- [17] Basic Income for All: From Desirability to Feasibility, Compass (2019)
- [18] Free Territory, URL https://en.wikipedia.org/wiki/Free_Territory#Criticism
- [19] C. Brooker, *White Christmas*, Black Mirror (December 2016), URL magnet:?xt=urn: btih:49f2d942c054cd5bbf932e1e921642eebe110bf7
- [20] Doyle's Bar and grocery (September 2017), URL https://www.facebook.com/
 Doyles-Bar-and-grocery-1060055107349764
- [21] Accidental Anarchist: Life Without Government (2017), URL https://www.youtube. com/watch?v=XudWK8ua2WA

- [22] R. Bregman, Nixon's Basic Income Plan (May), URL https://www.jacobinmag.com/ 2016/05/richard-nixon-ubi-basic-income-welfare
- [23] Y. N. Harari, Why fascism is so tempting and how your data could power it

 (April), URL https://www.ted.com/talks/yuval_noah_harari_why_fascism_is_

 so_tempting_and_how_your_data_could_power_it
- [24] (2015), URL https://drive.google.com/file/d/1uRTC_hjabk_
 665 Ps1C4qLyGDFV8yTHYLj3W/view
- 666 [25] Money By the People, For the People: The Manna Vision and Mission (2015), URL 667 https://drive.google.com/file/d/lissWZCMhPJYFoOrABpCcSxkYfA3wPBaj/view
- [26] Colored Coins whitepaper, URL https://docs.google.com/document/d/1AnkP_ cVZTCMLIzw4DvsW6M8Q2JC01IzrTLuoWu2z1BE
- [27] M. Al-Qurishi, M. Al-Rakhami, A. Alamri, M. Alrubaian, S. M. M. Rahman and M. S.
 Hossain, Sybil Defense Techniques in Online Social Networks: A Survey (January 2017),
 doi:10.1109/ACCESS.2017.2656635, URL https://ieeexplore.ieee.org/document/
 7828091
- [28] Six degrees of separation, URL https://en.wikipedia.org/wiki/Six_degrees_of_ separation
- 676 [29] uPort, URL https://www.uport.me
- [30] D. Cummings, uPort Announces Zug Digital Ethereum ID Pilot (July 2017), URL https://www.ethnews.com/uport-announces-zug-digital-ethereum-id-pilot
- [31] Demurrage (currency), URL https://en.wikipedia.org/wiki/Demurrage_
 (currency)
- [32] Silvio Gesell, URL https://en.wikipedia.org/wiki/Silvio_Gesell
- [33] Chiemgauer, URL https://en.wikipedia.org/wiki/Chiemgauer
- $_{ exttt{ iny SBS}}$ [35] WIR Bank, URL https://en.wikipedia.org/wiki/WIR_Bank

- [36] Freicoin: a peer-to-peer digital currency delivering freedom from usury, URL http: //freico.in
- [37] J. M. Keynes, The General Theory of Employment, Interest and Money,
 URL https://www.marxists.org/reference/subject/economics/keynes/
 general-theory/ch23.htm#vi
- [38] I. Krastev, Can democracy exist without trust?, URL https://www.ted.com/talks/ivan_krastev_can_democracy_exist_without_trust
- [39] Content ID (algorithm), URL https://en.wikipedia.org/wiki/Content_ID_
 (algorithm)