**The *real* universal basic income**

[background image of UBI- photo of money on the table?]

You may have heard something along these lines recently:

*“Artificial intelligence is going to take all our jobs. We’re all going to be slaves to robot masters!”*

*“Once the robots have taken all the jobs, there’ll be nothing left to do and the government of the future will have to pay us all a Universal Basic Income.”*

*“We must stop the introduction of AI and robots before they destroy our jobs!”*

These are intelligent journalists and technologists telling us this, so we should probably listen to them, right?

Wrong.

**Universal Basic Income: is it a good idea?**

First off, Universal Basic Income (UBI). UBI appears in many guises. For me, UBI means the sharing out of the economic dividends of an automated economy. As far as I know, supporters of UBI envisage the government as the organiser of these payments. That is, a centrally-organised economy run by artificial intelligence (AI) and robots producing everything we need and doling out resources to the masses. Sound familiar? All 20th century (and some that unfortunately persist into the 21st) attempts at planned economies ended in disaster: falling earnings, technological stagnation, shorter life expectancy, abuse of power and loss of liberties. At the heart of these failures is the information problem (<https://en.wikipedia.org/wiki/Economic_calculation_problem>); no one knows your wants and needs better than yourself. Communists governments never had enough information about wants and needs to efficiently plan an economy. Are the supporters of UBI suggesting that an AI-revolution will solve the information problem? Hold that thought.

I’m not sure how many of its proponents have thought through UBI to its logical conclusion. It *sounds* like a nice and caring thing to make sure all of us have enough to live on, you’d have to be stupid or maybe even evil to be against it. But if we’ll need UBI because none of us is working, not even to run the machines, then we are talking about some kind of computer-controlled communism. Woah! That might feel like quite a leap, but it’s hard to see why else we would *all* need such a pay-out from the state. Why not just give payments to those who need them? Have the supporters of UBI ever heard of “nudges” and behavioural economics? It is human nature to react to incentives; take them away and we will not all turn into Elon Musks. Just take a look at Soviet Russia, Cuba, *Chavista* Venezuela and North Korea.

“Some of us still will be working,” you might say, “but many will not. So we need UBI to allow the mass unemployed to live.” At this point, note who are the loudest supporters of UBI: Mark Zuckerberg, Elon Musk and other darlings of Silicon Valley. What kind of future are these tech giants imagining for us? One where AI run by a micro-class of the mega-rich take care of all of society’s needs? Returning to the information problem, we’re saying that all of us will give up incredibly detailed personal data in real-time to the AI that run the economy? To me, this sounds like a dystopia of consumers enthralled to corporations. Such a world would stifle creativity and entrepreneurialism, not encourage it as many supporters of UBI argue.

If we want artists to have enough money to do their work, what is wrong with an artist’s grant system? It could be much more generous than current allowances, if that’s what we want. Directed incentives, not blanket diktats. Does an artist deserve the same payment from the state as a person with disabilities? If there will still be additional payments for the disabled then the reasoning behind UBI as a flat-rate, simplified panacea falls apart. As for entrepreneurialism, would humans even be *allowed* to start their own business? Or would the AI decide humans were simply a source of inefficiency?

**If UBI is a bad idea, how are we are going to survive when robots have taken our jobs?**

Humans are special. We not only consume raw materials around us for food and warmth, but we shape some of those raw materials into *tools* that increase our economic output. In the pre-industrial world, this generally meant tools to harvest food, chop wood, cut stone or make clothing more efficiently. Uniquely amongst all species, we then *trade* with other humans not only raw materials or tools we have made, but also the knowledge of how we acquired them. Interrupted only by periods of decline such as the Dark Ages, this trading and accumulation of knowledge and ideas is the true source of economic advance.

With the industrial revolution we shifted up a gear, tapping into fossil fuels for energy, mechanising labour intensive tasks and increasing world trade. As a Luddite ([*https://en.wikipedia.org/wiki/Luddite*](https://en.wikipedia.org/wiki/Luddite)*)* would well know, industrialisation *did* kill off some jobs. Using machines to make clothes (or anything else) was much more profitable than paying humans to do it by hand. Much of this new profit became the capital that launched previously unimagined industries in manufacturing or services. Given the rapidly growing population of industrial times, it soon becomes obvious that industrialisation must have created far more jobs than it ever killed off.

[mouse and hand axe image]

Caption: Human tools: ancient and modern. From Matt Ridley’s “The Rational Optimist”.

Machines (another word for “tools”) have been taking jobs from humans since the first ancient human sharpened a stick. But they’ve also been creating them. That’s why I believe that new technology such as computers that can learn, drive cars or run factories will not leave humans impotent. In ways we cannot imagine, these technologies will be used to create whole new industries, and plenty of jobs with them. Humans will also be needed to design, operate and service the machines we make. Technology augments us, not replaces us.

If there is less work for humans to do, then we can always reduce the hours we work. But the fact is that most of us in developed countries *already* make enough money to meet our basic needs (the needs that our great grandparents would have identified) in less than a full working week. It’s just that corporations have some very clever advertising to convince you that you *need* a shiny, German car and futuristic television. Implicitly, most of us have made the decision we’d rather work a five-day week so that we can afford *luxury* goods (including fancy holidays).

We used to work six or even seven days a week only a century ago. Unions managed to get that down to five days a week (for the lucky ones, at least). That five-day week is now enforced primarily by culture and consumption patterns. In the West, working “part-time” (a term I predict will lose its meaning in the coming years) has been normalised for women with children, but for men it is still viewed with suspicion, even for fathers. Working less than a five-day, sleep-commute-work-commute-sleep slog as a single male is downright weird by most people’s count. We’ll see how long that lasts.

**What if I’m still worried and think that UBI sounds like a great idea?**

If you’re really worried about a robot taking your job, don’t gamble on the government to maintain you. Here in the UK the state helpfully provides an old-aged pension, although the retirement age currently feels like it’s being increased faster than I can age to keep up with it (currently my state pension age is 68). The current maximum rate is around £160 per week, or £8,300 per year. Enough money to get by on, given other state benefits available, but not enough to live a life of luxury (like a lot of working people subconsciously do). If you think about it, the state pension is a kind of UBI for the eldest members of society. If the relatively small size of the state pension benefit is anything to go by, I wouldn’t hold your breath for a super-generous, state UBI.

But all is not lost! The best defence against the march of the robots is to create your own basic income: invest in the stock market. If you’re lucky enough to have a middle-class job, you could be investing a large proportion of your income and be living off the dividends sooner than you think. The maths is shockingly simple (http://www.mrmoneymustache.com/2012/01/13/the-shockingly-simple-math-behind-early-retirement/), as Mr Money Mustache would say. Owning shares in companies will mean you will *own the robots*, as well as any new industries created in the revolution. These companies you own will pay you an income (dividend) for your trouble. That is the *real* universal income.

To do:

* Add photo of me with cash to first few paragraphs
* Go through document and add italics to html.
* Figure out how to record viewer counts in github