

Medium

Universal Basic Income is an inevitable part of our automated future

So let's embrace it.

Brad S.

The 2008 financial crisis is proving to have been an important marker in the 21st century because of the lingering effects it's had on the global economy, particularly in North America and most of Europe. It set the stage for a wide revival of populist politics not seen since the 1930s, and has caused many to resent the side-effects of neoliberal capitalism, which include pitting the world's wage workers against one another for the benefit of a few at the top of the pyramid.

Accordingly, every election cycle since 2008 has featured politicians making the same old promises about creating jobs and putting people back to work. President Trump has promised to repatriate jobs that have fled overseas by implementing a combination of business-friendly tax cuts, and toying with the idea of placing tariffs on imports. The theory is that barriers to trade give an advantage to domestic firms and reduce the labour pool, creating jobs and keeping wages high.

Measures like these sound effective until you look at the big picture. Factory jobs that went to Asia and elsewhere did so because they can pay lower wages that way. If your running shoes were sewn together in Canada or the US—where labour regulations and minimum wage requirements mean that workers must be treated decently well—they would cost much more to buy. It's easy to forget that for people in the West's (shrinking) middle-class, our standard of living is buoyed by cheap consumer goods that allow strong purchasing power. The only way to avoid higher consumer prices under Trump's plan would be to pay American factory employees the same as workers in China. Nobody wants that. Trump-eters baying for the return of manufacturing jobs should be careful what they wish for.

After all, the whole point of our beloved capitalist system is to maximize profits, which means harnessing international trade to seek out the workers willing to accept the lowest wages. But another way of expanding profit margins is to improve productivity, and that's where the real fun begins.

Tech revolution

We're on the cusp of an artificial intelligence revolution that's going to fundamentally alter life as we know it, and one of the ways it will do so is by making a great deal of human labour obsolete. I once had a short-term government contract as a media-monitor. Just like it sounds, it involved little more than reading the online news each morning, deciding which articles were germane to my department, and emailing them to a list of people. My responsibility was narrow and straightforward to the point where a software algorithm probably could have done it instead, and likely soon will.

The coming AI takeover will be further reaching than most people realize. A 2013 study from researchers at Oxford University concluded that 47% of jobs in the United States are at high risk of falling victim to automation by around 2030. Sections of the service industry are already experiencing this shift as grocery stores and fast-food restaurants introduce self-serve checkout lanes and menus. The rapid advancement in driverless-vehicle technology bodes poorly for America's 3.5 million professional truck drivers, and as many as 300 000 in Canada. And as for the much-lamented erosion of employment in the US manufacturing sector, "for every job lost to trade in recent years, eight have been lost to automation".

Even if kicking off a trade war with China could bring jobs back to the US in the medium term, such measures are silent in the face of an AI revolution. However you slice it, the "putting people back to work" trope misses the point. If creating work for people is the main goal, why not just hire more construction workers to complete the same task as before, but replace their shovels with spoons? It's because that would be ridiculous: **it makes no sense to create jobs at the expense of productivity.** Furthermore, digging with spoons is a bad idea because of how degrading that job would become. How motivated would you feel to dig that hole, knowing that the only reason you and your colleagues are using spoons instead of shovels is because the government wanted to give *you* an income? In that case, the government might as well just give the original workers their shovels back and pay the superfluous workers to stay home.

It makes economic sense

In fact, that's the essence of what a Universal Basic Income (UBI) proposes to do, and it's probably the only way to manage the transition to an automated economy. Elon Musk agrees, as does Yanis Varoufakis, the former Greek Minister of Finance, who has said that

The right to turn down a job is essential for a well functioning labour market and a civilized society. And to have a genuine right to turn down a job, you must have an alternative option, because desperate people will accept to do desperate things (sic).

Like any market, the labour market is at the mercy of supply and demand. High unemployment drives wages down because the supply of labour—that is, many people competing for the same openings—is greater than the demand for labour. By removing their desperation for income, a UBI would give workers the ability to decline job opportunities that pay poorly, which would cause wages to rise.

The economy depends on money to circulate in a number of ways, the most important among these being consumption and investment. As people lose their jobs to automation, they would also lose the income they need to buy things, meaning consumption would fall sharply. Reduced sales would strain businesses, who would then employ even fewer people, causing the economy to fall into a recession. In such a situation people would try to borrow money to spend on necessities, but since they would have no income with which to underwrite that debt, it would be difficult to find a creditor willing to lend to them; those few who are willing would charge exorbitant interest rates. Household debt levels—which I have warned about **elsewhere**—would grow even more worrisome, and could lead us to the brink of yet another economic crisis.

Even now, before most of the switch to automation has taken place, an unhealthy rate of household debt hinders consumption because it forces people to pay down debt interest with funds that would otherwise be spent on goods and services. By ensuring that everyone has money in their pockets, a UBI takes that weight off their shoulders and helps to keep money flowing through the economy, particularly after tens of millions of jobs have vanished. Wealth must be distributed more-or-less evenly throughout an economy for it to function smoothly and grow sustainably. In his TED Talk on basic income, Rutger Bregman calls it "venture capital for the people."

Finally, **for the economy's health, it's important that people be able to sustain themselves without needing to rely on a job.** When an unprofitable company goes bankrupt, it's typically due to a poor business model and/or shoddy management. The whole point of competition in a free-market is that the best practices are supposed to yield the most success. When the government steps in to save a failing company using public funds, that's tantamount to rewarding inferior practices. Bail-outs prevent necessary creative-destruction from taking place in the economy. Inefficient firms should be allowed to die.

Of course, it's easy to see why governments are reluctant to let big companies fail: people's jobs—their livelihoods—are at stake. Jobless folks are scared, bitter, and motivated to vote against the leaders by whom they feel abandoned. The ability to put food on the table should be decoupled from work so that a superfluous company, and the jobs it represents, can't hold its employees' dignity hostage as it begs the government for a handout. Basic income solves this problem while paving the way for greater economic efficiency.

Freedom from labour

Politicians can try and peddle promises of job creation, but an increasingly automated future casts serious doubt on whether such promises are realistic, or even desirable. To the ancient Greeks and Romans, "freedom" meant being free from the burden of labour—that was the job of slaves. While emancipation was eventually won in large part thanks to the courage of revolutionaries and an evolving moral outlook, it's little coincidence that slavery was abolished in both the British Empire and America on the verge of the first Industrial Revolution. The dawn of sophisticated AI means that it's not long before another disruption is upon us. Whether we like it or not, the market will embrace the new jolt in productivity because business interests have incentive to do so. We could choose to bemoan the human unemployment this will lead to, or we could simply reassess our predicament from another angle. **Automation offers us freedom. Why would we turn that down?**

One reason why someone might still want to be employed is because the workplace can offer a sense of belonging and purpose. People want to feel that they are part of something greater, and being responsible for a job implies at least a modicum of agency in the world, especially for men in a society that celebrates masculine ideals of breadwinning and admonishes idleness. Being unemployed can leave one feeling left out of the social network that many workplaces provide, like in factories and trade jobs where the workplace culture is especially tight-knit. There is also a certain stigma attached to unemployment because we are conditioned to associate joblessness with laziness. Employment in the Industrial Age has become so tied to self-esteem, in fact, that mass job loss correlates to an increased suicide rate. Unemployment is also playing a large role in the ongoing opioid crisis.

Be that as it may, an imminently rising tide of automation means that the age of dignity in labour is waning; this is particularly true in an econoculture dominated by the cult of entrepreneurial brilliance. Credit for innovation is concentrated in corporate boardrooms, which pass orders down to the factory floor. As with my experience monitoring news, it's difficult to take pride in a job that you know could be done just as well by a computer. People realize that there's no meaning to be found in working for the sake of working, yet that's exactly what we're doing when we settle for an unsatisfying job in order to pay the bills. A 2014 Gallup poll found that less than one-third of US workers felt engaged in their jobs—and that was the highest level since 2000. It's no surprise that Millennials feel the least engaged of all, considering that their (that is, our) relatively high levels of education are yet to be reflected in equivalent employment opportunities.

A fresh perspective

This sort of data suggests that among the working demographic most likely to be replaced by robots, the people who enjoy working do so because of its social aspect. A UBI would allow them to sustain those social connections at the beach or on the driving range as automation displaces human beings from the workforce. Moreover, if millions of people are simultaneously without a job, the stigma of unemployment will fade, and norms will adjust so that the only ones who work will be those who have a passion for their occupation. Dignity in life can still be preserved, with or without wage-labour.

Speaking of dignity, in its current form capitalism is completely blind to labour not included in a GDP calculation, causing the household economy—activities like childcare and cooking that have traditionally fallen disproportionately to women—to be grossly undervalued. Antiquated gender roles mean that on average women work fewer paid hours than men, a fact that bears the most responsibility for the infamous gender wage-gap. By providing a permanent income to stay-at-home parents, a UBI would boldly signal that our society recognizes the value in household labour and endorses the time that parents spend with their children, thereby engendering a sorely-needed feminist perspective on economics. (Ironically, the automation wave will mainly affect male-dominated industries first, meaning that men will benefit from an in-home salary at least as much as women will.)

As with recognizing the household economy's value, people would be given the financial latitude to dedicate time to creative or artistic pursuits that make them happy, but which the market typically doesn't reward. A UBI would also make crucial strides in erasing dire poverty, and would hopefully encourage solidarity with, rather than disparagement of, the downtrodden. In fact, in such a future we might even bother to ask why previous generations ever accepted as ordinary a situation in which millions of people struggled to live paycheck to paycheck, routinely working long hours for insulting wages, little dignity, and no fulfillment.

Where there's a will, there's a way

While I have admittedly painted a rosy picture of a Universal Basic Income's virtues, there are no free lunches. A living wage for every citizen will be incredibly expensive, and as was discussed on Vox's podcast *The Weeds*, the price tag will make its implementation extremely difficult politically. That said, a UBI could be made self-funding by replacing other parts of the welfare state that are unpopular with fiscal conservatives. There is reason to be optimistic that a consensus could be found, and that's a good thing because a UBI is going to be necessary in the reality of the future. Our options are either to modify our economic system in a way that prevents it from coming to a grinding halt, or forsake the technology that will help us confront humanity's greatest challenges and improve life for everyone. It's really just that simple.

Ultimately, however, a guaranteed income for all isn't just about what we need, but about what we deserve. Ask a person who is nearing the end of their life about their favourite memory, and you can bet your bottom dollar that it won't involve a nine-to-five job. When questioned about their deepest regrets in life, the dying consistently lament having sacrificed personal happiness for work. Imagine if we structured our society according to the wisdom of the wisest among us. That would be real progress.

Source: giphy.com

*I write about politics, economics, and feminism. Check out my **Table of Contents** for a list of everything I've written on Medium.*