

# Universal basic income

## A radical post-labour agenda

In South Africa people are fixated on jobs. But what if we thought differently? **Liz Fouksman** proposes a basic income guarantee to liberate us from poverty and wage dependency.

**U**niversal basic income: just give everyone some money to live on. Yes, everyone. No strings attached. Ideally, enough money to not worry about food or homelessness. Paid out every month or every year, the money never stops.

The idea of a universal basic income (UBI), also known as a basic income grant or guarantee (BIG), a negative income tax, or a social dividend, is simplicity itself. And yet it holds the seeds of a radical new post-labour agenda.

'Radical' because it promises power and liberation. Radical also because it runs against the grain of our thinking that everyone must sell their labour for an income. This sounds like madness to people when they first hear it.

And 'post-labour' because its promise of power and liberation is aimed at unionised, full-time workers, and also the unemployed, the precariously employed, the informally employed, struggling entrepreneurs, students, unpaid careworkers, in other words, people overlooked by organised labour.

### A RADICAL INTERVENTION

Giving everyone a basic income will dramatically decrease poverty. And if the basic income is high enough, it can end poverty altogether. It provides a social protection floor – a livelihood below which no one can fall.

In the early 2000s, South Africa was considering implementing a small basic income of R100 per person per month. Even this small amount would have decreased the poverty rate at the time by 70%.

A basic income can start a positive anti-poverty cycle. Giving poor people cash stimulates demand for goods and services in their communities. This in turn stimulates local business and the demand for labour, starting a cycle of growth. And with the security of a basic income, people can afford to get skills and training, migrate to find work where labour is in demand, or start businesses.

A basic income will also lower inequality. It is a redistributive policy. Everyone will get a basic income without costly and humiliating means-testing, but the well-off will return the income when they pay their taxes. Money flows via a basic income from people who have a lot of it, directly to people who need it.

But perhaps the most important benefit of a basic income is that it insures a basic livelihood for those who miss out on social grants in South Africa – the unemployed, the underemployed, the precariously employed and the informally employed.

### THE CRISIS OF WORK

South Africa's grant system is aimed at those who are physically unable to work – children, the elderly, and the disabled. This makes sense in

a country with full employment, a strong demand for labour, or with labour shortages. This was the case in many countries after the Second World War, when such models of social welfare were first put in place. But South Africa is not such a country.

South Africa's unemployment remains stubbornly high. The official expanded rate (which includes those who have given up looking for work) is 36.4%. This is not news: unemployment has been high for decades, despite job-creation policies. Amongst certain populations, such as young people, unemployment is as high as 75%.

This is a global problem. Even in countries where unemployment seems low (such as the US), labour force rates are declining, as they are world-wide. Ever more people give up looking for employment, and are thus not counted in the ranks of the unemployed.

And of those that are employed, 60% world-wide are in temporary, part-time or short-term work with falling wages. Unions largely do not help such workers because they are used to organising in a traditional workplace with full-time, permanent work.

A basic income guarantees a basic livelihood to the unemployed and the precariously-employed. It would empower anyone who sells their labour to bargain with their possible employers from a position of greater power and equality.

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With a basic income the threat of starvation and homelessness would no longer force people into underpaid, dangerous or unjust labour contracts. Jobs that are dangerous or unpleasant will be compensated better. The poor will no longer be forced into low wages out of desperation.

Thus people's ability to bargain on the labour market could finally equal that of corporations. They could wait for the right job and the right contract, knowing that meanwhile they will not go hungry or be unable to pay rent.

Those who are outside of the labour market because they care for children, the sick or the elderly would be guaranteed a livelihood. Much of unpaid carework is done by women, often in a position of economic disadvantage. A basic income promises such women security and some economic power.

These are some the radical possibilities of a basic income to transform labour relations. But even more radical is the possibility of a world beyond wage labour.

### BEYOND WAGE LABOUR

Technological progress in the last century insured rapid productivity and growth. What took one worker 40 hours to produce in 1950, took only 11 hours in 2005 – and productivity keeps growing.

Our economies dealt with this growing efficiency by consuming and producing ever more goods,

keeping employment steady. But spiralling consumption has led to an ecological crisis: pollution, waste, extinction and, critically, climate change. We cannot keep consuming more and more.

We might look back to the good old days of factory work, but those are gone. Factory work is increasingly done by robots, not people. Walk into a car manufacturing plant, and you'll see very few people. Mining, a mainstay of South African labour, is experiencing growing pressure to automate to compete on the global market.

Some call this the Fourth Industrial Revolution – the age of automation, artificial intelligence and machine learning – which is mechanising away factory and mining jobs, service jobs, and even white-collar work. Driving, cleaning, selling, farming and accounting, medical diagnosis, and financial services can all be done increasingly by robots.

But is this really a problem? Or is it an opportunity for liberation, one that we are too short-sighted and too stuck in old ways to see?

Whether or not 40 weekly hours of wage work is going to disappear is the wrong question. Perhaps we can keep scraping together enough work to pretend that a 40-hour week for all is normal, and unemployment a deviation. We can consume more and more despite the environmental costs, rather than

redistributing the overconsumption of the rich to the poor. We can create 'make-work', forcing humans to do what robots can do. Or we can take this moment as an opportunity for liberation, where productive activity and resource distribution does not have to be tied to wage labour.

### LIBERATION THROUGH REDISTRIBUTION

If much of our work can be done by robots, why do we insist that we keep working as much as ever?

The answer seems obvious – because people need to work in order to get money. But what if they did not? What if we came up with a system where people did not have to work to survive?

A basic income is a step in that direction. It's a way of insuring that people are not forced by threat of starvation into a market where there is too much labour for sale and not enough buyers.

The fruits of automation and productivity are currently captured by a small elite, while wages stagnate and full employment decreases. This is why inequality has spiralled around the globe. A basic income is one step to correct this, redistributing the gains of productivity growth down to those suffering most from its effect on the job market.

Beyond that, a basic income could enable us to think creatively about reorganising wage labour.

One way to take advantage of automation is to decrease the working week. This would spread wage work that remains more equitably, but also give people more time and freedom. Freedom to engage in productive activities that capitalism does not pay for such as carework, political organising, the arts, sports or civic engagement.

Productive activity is not limited to wage labour. We could move beyond wage labour, and towards occupying our time in meaningful and socially productive ways, regardless of compensation.

# INCOME FREEDOM OR MORE SLAVERY? FINLAND IS CONSIDERING GIVING EVERY CITIZEN A BASIC INCOME



Stillness in the storm

But shorter working hours will not happen automatically. The labour movement spent a half-century fighting, often through violent protests, to win a 40-hour work week. Shortening the work week further will take another organised struggle. And a basic income will insure that workers and the unemployed can struggle for it from a position of economic strength.

## MONEY FOR NOTHING, WORK FOR FREE

When South Africa considered a basic income in the early 2000s, the African National Congress (ANC) rejected the idea because of worries that a basic income would lead to dependency, laziness and moral decay, that no one would be productive without being forced.

In my own research in South Africa and Namibia, I discovered a deep resistance to radical redistributory ideas like a basic income among the unemployed

poor – even those currently receiving social grants from the government. They too carry deeply ingrained ideas that getting money without working leads to laziness and free-riding.

But decades of experiments around the world with cash grants to the poor show that this is not the case. In fact, economic participation increases with a basic income.

The evidence is around us. The well-off don't stop working, even when they have enough to live on. After all, people work not just to insure a basic livelihood, they also work for a sense of identity, social status and personal meaning. If this is the case, why blackmail people with starvation and homelessness to get them into the workforce or to engage in productive activity?

The wealthiest 1% already get a large chunk of their money passively through capital income. They receive income from stock dividends, capital gain and renting

out properties, yet no one worries about their dependency or moral decay. We also don't worry about encouraging dependency with free schooling, hospitals or roads. A basic income could become an accepted part of our social infrastructure.

## FUNDING A BASIC INCOME

There are different proposals for funding a basic income. One is to tap into some of the passive capital income from rents and investment going to the rich, and use it for a basic income instead. Another is a wealth tax, a VAT on luxury goods, or dividends of a national wealth fund, based on natural resource wealth, or capital assets. Proposals also vary depending on the size of the basic income.

It is critical to remember that a basic income is a redistributive proposal. Many cost estimates forget that while the income goes to everyone, the rich give it back when they pay taxes. The true cost is not the size of a basic income multiplied by the population. It is the size of the basic income multiplied by the number of people who need it, because those who don't need it return it. This makes it eminently affordable.

The cost of a basic income is dynamic. Since it would stimulate growth in poor communities, this would generate tax revenue and move people from being users to contributors to a basic income.

In the face of inequality, precarity, high unemployment and poverty, it is time that South Africa put a basic income back on the agenda – not as a welfare provision, but as a basic right. Basic income could be the first step to a new political imaginary, one that radically reimagines the future of work and distribution. <sup>LB</sup>

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