

Universal Basic Income: A Disarmingly Simple Idea – And Fad

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Universal basic income is a disarmingly simple idea based on a disarmingly simple premise. The digital revolution threatens massive technological unemployment; *ergo*, every citizen should be paid a basic income regardless.

Like all simple ideas, however, things get more complicated on closer scrutiny. For decades there have been jeremiads predicting that workers would be replaced by robots and unemployment would spiral. They have been wrong, and wrong for an important reason: the level of employment is socially, not technologically, determined. Keynes envisaged a possible society where leisure would be widespread because much more highly productive labour was shared and minimised, not corralled by some. Short of that, Keynesian demand-management ensured the steady post-war boom western Europe enjoyed. It was not brought to an end by technology—but because it so strengthened labour that the forces of capital were determined to bring about a reverse, even at the expense of renewed volatility and recurrent, perhaps now perpetual, crisis.



From a socialist perspective, it is highly desirable that routine forms of employment which provide little enrichment, needing little intellectual or creative input, should be eliminated and that individuals should be enabled to be (re)educated and (re)trained for more socially useful activities in caring services or more challenging and fulfilling tasks. From a feminist one, it is equally desirable that the part-time/full-time distinction, often condemning women to the former position, be replaced by everyone working (say) 21 hours a week, as the New Economics Foundation has suggested, with the associated sharing of domestic responsibilities. Such decisions should not be squeezed aside by an ill-founded notion that large-scale unemployment is a *deus ex machina* which must fatalistically be accepted.

And that leads to a second complication. It hardly favours personal wellbeing to languish passively for years on the dole, with all the effects that is known to have on atrophy of skills and loss of morale. Marx would have shaken his head that latter-day leftists could support something like this. He would have said they were prisoners of 'commodity fetishism' and the 'cash nexus'—unable to think beyond the worship of the ultimate commodity, money, as the solution to all social ills. And he would have reminded them that in his socialist, and indeed communist, ideal world, 'From each according to his ability ...' was the first part of his defining slogan.

It is the vulnerability of universal basic income to the 'something-for-nothing' criticism that led to its massive and inevitable defeat in the Swiss referendum this week. And there is nothing socialist about encouraging a 'society owes me a living' mindset. On the contrary, socialism is about being willing to go the extra mile for one's fellow citizens, even in the absence of personal reward and indeed sometimes at great personal sacrifice. That runs counter to the hyper-individualist anomie which decades of neoliberal economics have also fostered—and universal basic income would not go against that grain.

The second part of Marx's socialist slogan was 'To each according to his work'. Roughly, one could equate that with the social-insurance based welfare states of central Europe, such as in contemporary Germany. The second part of the communist slogan was 'To each according to his needs'. And approximately that conforms to the more egalitarian universal welfare states of the Nordic countries.

While there is a current pilot in Finland—under a centre-right, not social-democrat, government—universal basic

income has been an idea which has flourished, unsurprisingly, in the Anglo-American world familiar only with means-tested, market-based welfare states. There it has appeared as a panacea for burgeoning insecurity. But it is a blunderbuss which would be hugely expensive and inefficient: an obvious effect would, perversely, be to expand the arena of 'mini-jobs' offering low pay and with low productivity, for which universal basic income would simply provide a wage subsidy to poor employers. The more obvious trajectory to follow is to seek to de-commodify labour by proper labour-market regulation and universal welfare provision.

Because of its huge deadweight effects, advocates of such schemes inevitably end up with more 'practical' alternatives—such as in the [Reed and Lansley Compass pamphlet](#), where they make the (wholly reasonable) case for unemployment benefits higher than the current UK pittance, funded by progressive taxation. But that is just to make the UK look a bit more like a universal welfare state.

And a key aspect of such states is that they are not just about income transfers—though they are the most effective social machine for equality ever devised in history. They are also about enhancing personal wellbeing for all through the provision of public goods. Thus universal childcare, free or heavily subsidised, is at the heart of the Nordic welfare states—not there to be bought by a childcare 'consumer' with his/her universal basic income. Active labour-market schemes, which assist workers to make the transition from obsolete skills to those in demand, safeguarded by high replacement-rate benefits, are another key feature particularly of Denmark's famed 'flexicurity'.

Seen in that light, universal basic income is not so much an idea whose time has come as a fad which will pass for lack of public traction. Universal welfare states can engender that popular support, because they are funded on the progressive basis of ability to pay while offering universal provision on the basis of need. They are highly effective, being focused on need, without deadweight effects. And they are highly efficient, being easy to administer.

They need to become more personalised—including through user engagement, 'co-production' and involvement of specialist NGOs—while not sacrificing universality. But those complex, concrete policy arguments take us a long way from the 'fast food' substitute of a universal basic income.