

The Policy and Politics of Basic Income: A Few Concerns

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I share the values and ambitions that infuse the UBI debate: the determination for transformative, long-term change, to build a world where people have more security, more time to care for each other and the places where they dwell and love, and less time spent on the 'work-spend' treadmill. However, I oppose the pursuit of UBI as an immediate political demand for the left. This is not because I think it will be too expensive, or rich people will get it, or because of a worry it will make people lazy, or the inviolable dignity of all labour. It is because I believe that the demand for a UBI, in our current political context, tilts our attention, imagination and energies down technical paths, rather than political ones. It encourages us to think in terms of experiments, blueprints, solutions, expert policy fixes when we need to be thinking about power, institutions, and organising for the kind of society we want. And it offers a vision of liberation for individuals premised on freedom from moral judgment at a time when we need more moral judgment, not less, and greater confidence in our capacities to steer our society collectively in a particular direction.

The UBI debate demands a clear sense of where we are in terms of work in 21st century Australia, and how we got here. Over the last 30-40 years, a profound shift has taken place in the way in which work and have been ordered. Our country, like most in the developed world, has been subject to what William Davies has memorably characterised as the 'disenchantment of politics by economics'.

Essential human activities, many of which lie at the core of our sense of meaning and belonging, have not only been commodified but subject to *financialisation*: that is, they are undertaken on a for-profit basis, and organised by corporations in service to the logic of efficiency, competition and the maximisation of shareholder value. New markets were invented where none existed before (eg. in pollution, water, early childhood education, aged care); services once provided in the public interest and on the basis of need (prisons, vocational education, border protection, hospitals, roads, public housing) became opportunities for profit; and the State has also embraced competitive markets, efficiency and competition as the logic by which it governed itself, converting itself into a business-like entity.

One consequence of financialisation has been wage stagnation in the face of increases in productivity, resulting in an incremental reduction of the share of GDP going to labour. Perhaps more significant than wages, though, has been the systematic weakening of the employment relationship, as firms have been able to use a range of legal mechanisms – outsourcing, labour hire, casualisation, supply chains, independent contracting, gig platforms – to place legal distance between themselves and the workers that serve them.

The US labour academic David Weil calls this the rise of the 'fissured workplace'; David Peetz conceptualises this as 'not-there capitalism' – a system where control is retained, but economic responsibility is not. I like to think of it as 'fracking the labour market', an approach that uses innovations in technology to break up entities and extract value in ways that were never

previously thought possible, for short-term gain. As with real fracking, things can look more or less the same on the surface. But underneath, what were once solid foundations are blasted apart into ever-smaller units, dividing workers from each other, their true employers and their social bedrock. Permanent full-time employees (who now make up less than half of all employed Australians) now work alongside colleagues – sometimes doing precisely the same work – on a very different legal footing, for radically less pay and security, for employers who have no real power over the terms of their employment. Careers are broken down into jobs, jobs are broken down into tasks, tasks are broken down into micro-tasks or gigs that are commodified, measured, quantified, and made subject to high levels of scrutiny and competition. Workers are encouraged to have low expectations of reciprocity from their employers, told to rely on themselves, and to shoulder the responsibility of acquiring atomised bundles of ‘skill sets’, to be deployed in an infinite array of potential contexts.

Digital technology and automation is *not* the cause of this phenomena. The growing financialisation of Australian society is rather the function of a set of ideas and policies that includes the calculated disempowerment of unions and other entities structured around non-marketised logic. However, technological advances mean that the levels of domination, surveillance and disempowerment presently at play have the potential to be deepened and accelerated in the future. Technology is already being deployed to control and surveil workers in strikingly invasive ways at present:

- 43% of US companies monitor emails using algorithms that follow the contours of tone and natural human speech;
- Biometric wearables, such as the kind deployed in Amazon factories that guide workers’ hands to the items they need to ‘pick’ (and report on ‘non-productive’ activity such as scratching or going to the toilet) are predicted to rise to 500 million by 2021.
- Management decisions are already made by algorithms, which make decisions on the basis of data correlations, rather than through causation. Algorithmic management and administrative decision-making could see people’s life chances become suddenly determined by matters utterly outside their control, such as the school they attended, the area they grew up, their friends and associates, activities etc., on a basis that is wholly uncontestable.

All of these power asymmetries are enhanced by the panopticon effect, which invites people to act as if they *could* be monitored at all times on the basis that they might be, regardless of whether they in fact are.

What has all of this got to do with UBI?

It matters because UBI is a transfer payment, that leaves the basic logic of financialisation, and the widening power asymmetry between workers and employers, undisturbed. By itself, it does nothing to challenge a system that, to quote Colin Mayer, the former Dean of the Said Business school at Oxford, ‘systematically extinguishes any sense of commitment – of investors to companies, of executives to employees, of employees to firms, of firms to their investors, of firms to communities, or of this generation to any subsequent or past one. It is a transactional island in which you are as good as your last deal, as farsighted as the next deal, admired for what you can get away with, and condemned for what you confess.’

The question we should not be asking ourselves is whether we find the idea of UBI appealing in the abstract. It is rather to consider the implications of pursuing UBI on the basis of the wide, and likely widening, gulf in power between employees and employers, and where the cost of living is already high and likely to rise? In other words, what would happen if we simply laid a UBI down over 'fracked ground'?

Here are some of the risks I foresee:

- If you simply added UBI to a highly financialised society, anyone who had medical needs, anyone with a young child, anyone who was old, anyone who did not own their own home, would immediately have to spend their UBI on those essentials. To use early childhood education as an example, if UBI were introduced without any other restructuring of the sector or of government subsidies, a two-parent family with two children would have to spend more than half of their UBI income on childcare (63%), assuming a UBI income of \$20,000 each. If UBI were to replace existing government subsidies, the entirety of their UBI would not even cover half the cost. Thus the liberation potential of UBI - its promise to cut the necessary link between work and income - would be effectively restricted to those able-bodied persons without caring obligations or health issues or expensive housing, who may have money to reject (some) work. UBI would provide them with no tools with which to organise at work, and no strengthened unions for them to join. It would contribute nothing to stopping or improving the dehumanising, short-term, insecure paradigms of work.
- There would be constant pressure from the right to use UBI as an excuse to gut the welfare state and/or resist wage increases ('you have UBI, why are you complaining?').
- There would be a constant battle getting the employers to pay enough tax to pay for it. Australia already has a low and decreasing revenue base, and low taxes by OECD standards. Companies already try to minimise their taxes and wages below lawful minima, and that is when they have the legal obligation to pay them and they are getting something in return from the workers.
- Future left governments would have to reckon with UBI on their balance sheets, which may dissuade them from taking up other policies which could have transformative effects, eg. publicly owned renewables, digital infrastructure, universal public early childhood education and care.
- A UBI that was offered only to citizens has the potential to further deepen the already grotesque divide that exists in the substantive work rights available to permanent residents and temporary migrant workers in Australia.

What is to be done?

This analysis suggests four domains of politics that all require urgent attention.

1. Non-coercive social security

Australia's social security system is among the most tightly targeted in the world. Our unemployment support payment is the second-lowest in the OECD, 20% below the poverty level. Our Community Development Program is exceedingly punitive and racialized in its effects, compelling participants to work 25 hrs/week for \$11.60 an hour, with virtually none of the protections or rights offered by the *Fair Work Act*. The policy results in Centrelink breaches for Indigenous participants at astonishing rates, deepens poverty, alienates people and degrades

the quality of jobs. We don't need UBI to make these schemes better. CDEP, the policy envisaged by Nugget Coombs as a way of enabling Indigenous communities to work in culturally appropriate ways, wasn't universal, it was allocated by an elected community council, allocated to individuals based on their active participation. Simply abolishing CDP and re-instating CDEP, together with radically raising Newstart, would be far quicker and more achievable policy improvements than implementing UBI.

Ideas of 'deservedness' are not going to go away if we have a system that has the word 'universal' on the tin. Rather than wish away the language of 'deservedness', why not just raise the rates, make the requirements less punitive, and redirect arguments about 'deservedness' to the top? We should be asking ourselves questions like 'how can we continue to keep supporting the ultra-rich?' rather than trying to staunch these kinds of questions altogether.

2. Invest in the jobs of the future

Dramatic predictions that robots are going to take all the jobs are wildly overstated, and overlook the vast and rising importance of many occupations with a significant relational component. Demand for healthcare/social assistance jobs will triple by the mid-century. These are low-carbon jobs, they have immense social value, but they are presently financially rewarded and supported in very inadequate ways. Rather than a UBI, it should be possible to work in these sectors, on a part-time and flexible basis, and earn at least a living wage. In sectors where automation does displace jobs, we should put active labour market policies in place to ensure that no worker is left behind.

3. De-financialise, de-commodify and extend essential public services

Depending on who you talk to, it is possible today to imagine there is now consensus that the animating idea of neoliberalism is dead. Even if that can be said to be true in some academic circles, neoliberal 'zombie economics', to use John Quiggin's term, continues to inform and sustain most domains of Australian policy-making. We must switch off the outsourcing/privatisation machine, and eventually reverse it, returning to the idea of provision on the basis of need. But we also must think of what new public services the 21st century demands: public transport, mobile phones and digital infrastructure, universal and free ECEC.

4. Restore and deepen voice, in work and society

The union movement are right in their determination to 'change the rules', it is crucial that the IR system be swung back into balance, with a range of measures including larger-than-enterprise bargaining, restored rights to take industrial action and an active and easy-to-access arbitration mechanism. We need a participative IR system, not just a protective one. As well as 'de-fracking' the labour market, we also need a range of new laws that are fit for 21st century conditions, that enable and encourage digital unionism and support the co-design of technology between workers and their employers. Without re-empowered unions, it is difficult to imagine how we will be able to feasibly achieve further reductions in paid working time and more job security.

These measures should be accompanied by a new suite of institutions and laws that recognise and protect citizens' rights in the algorithmic age, that require data and code to be shared publicly, data monopolies to be broken up and an AI ombudsman to adjudicate about the fairness of automated decision-making in a range of contexts. Without these protections, our democracy, and status as a nation with a higher degree of social mobility, will be in peril.

Arguing for redistributive payment as the primary ask for our politics, even if it is a universal one, sets our sights too low.

We need to demand meaningful voice (in the context of AI and algorithms); living oceans, lands and skies (in the face of climate change); meaningful and useful work (in the face of the gig economy and digital surveillance); and the right to care and be cared for with time, love and dignity.

None of these demands will be met without hard, political work.

To achieve them, we need a movement, not a payment.