

Work, Technology, and Basic Income: Issues to Consider

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The idea of paying able-bodied, employable adults a living wage without requiring them to work for it, cuts to the core of the ethical and economic foundation for wage labour. This has far-reaching implications for the organisation and compensation of work in our society. On one hand, having the ability to support oneself without engaging in paid labour opens an exciting, emancipatory option for working people; it would also enhance their bargaining power considerably with their employers in the workplace every day. On the other hand, we need to be careful and thoughtful about how a UBI would interact with – often in surprising and unanticipated ways – our ongoing struggles to improve the quality and security of paid work (including paid caring work in public services). I offer here a few thoughts on the complex interactions between universal income and employment.

UBI and Robots:

Many advocates propose UBI as a response to the looming disappearance of job opportunities assumed to result from the acceleration of labour-saving technological change (including automation, robots, and artificial intelligence). The assumption is that working people will then need some alternative way, other than work, to support themselves. In my view, this is the wrong basis for proposing a UBI. This is partly because it is unlikely that jobs will actually disappear in any general sense; fears about mass job disappearance are misplaced. Also, labour advocates fight hard to improve the quality of work – and any indication that we are “giving up” on work will undermine that effort.

This argument for UBI also fundamentally misunderstands the nature of production in the economy. No output is possible without work: broadly defined as productive human effort to produce goods and services. Labour is expended both directly (to produce the goods and services ultimately desired) and indirectly (to produce the tools, machinery, software, raw materials, and other intermediate inputs required to produce those final goods and services). The process of automation involves relatively more indirect labour, and less direct labour – but that does not mean that work somehow “disappears.” Human labour will always be the driving force of production. Machines and robots do not fall from the sky: they are conceived, engineered, produced, operated, and maintained by humans.

There are important issues arising from technological change – including the displacement and redeployment of labour, the mis-use of technology to intensify labour

and subject workers to more surveillance and discipline, and the ironic coexistence of degraded, low-productivity work alongside fabulous technology. And as always under capitalism (which, after all, has been experiencing epochal technological change more-or-less continuously for the last 200 years), workers face a constant struggle to capture a decent share of the output they produce (with the help of their skills and tools). But the assumed “disappearance” of work is not the issue, and characterising the problem this way both confuses and demoralises workers’ movements.

UBI, Technology, and Leisure:

New technology might allow the economy to produce as much real output (goods and services) as we need, with much less labour – thanks to broad overall increases in labour productivity. It is important to note, however, that there is not yet evidence of any widespread acceleration of productivity growth. In fact, since the GFC, productivity growth seems to have slowed down (due to weak business investment, underemployment, macroeconomic weakness, and the proclivity of an underperforming labour market to create menial, low-productivity, insecure jobs).

But if promised advances in technology ultimately do allow us to produce more output with less labour (both direct and indirect), then we would face important social choices about how to capture and share the consequent productivity gains. Arithmetically, three broad directions are possible:

1. Work the same amount, and produce more output (of goods and services). Depending on how that extra output is distributed, this underpins the possibility of rising real incomes.
2. Produce the same amount, but reduce total hours worked by simply unemploying the labour that is no longer needed.
3. Produce the same amount, but reduce total hours worked by reducing working hours evenly and equitably (through reduced lifetime working hours for all).

Historically, progressive labour advocates have fought for a combination of 1 and 3: that is, some combination of both higher real incomes and shorter work time. Under neoliberalism, however, forward progress in reducing working hours (number 3) has stalled in most countries. Facing strong attacks from employers and governments on labour conditions and union power, labour activists have been understandably preoccupied with defending wages; the demand for shorter work time has generally fallen down the list of priorities. However, concerns about new technology may offer an opportunity to resuscitate the traditional progressive demand for shorter work time, and give it more attention in our collective bargaining and our policy activism. There are environmental benefits to shorter work time, too, that resonate powerfully today.

Keep in mind that there are many different ways to reduce lifetime working hours, including: a shorter work day; a shorter work week; more annual leave; more leave for family, care, or education responsibilities; and earlier retirement. These are all valuable

and legitimate ways to capture the gains from increased productivity through less work rather than more income; no one of these methods should be privileged over the others. Finally, it is essential to be sensitive to the polarisation of working hours visible in the modern, precarious labour market. Too many workers in insecure jobs don't get enough hours of work; so the demand for shorter working hours (implicitly aimed at people in more secure full-time jobs) needs to be complemented by demands for more secure and adequate work hours for those currently in insecure positions.

On one hand, a UBI is complementary to the demand for shorter hours of work, by offering a supplementary source of income for those who choose to work less. However, this aspect of UBI advocacy needs to be handled cautiously: because the labour movement usually demands shorter working hours *without* a cut in real incomes. The simultaneous pursuit of higher hourly wages *and* shorter working hours is how workers attained the current benchmarks of living standards. If UBI is now presented as a voluntary means for workers to "opt out" of work, while still receiving at least some income (and there are benefits to having that choice, discussed further below), this could be used to rebuff demands for more general progress toward universal shorter working hours. Employers and governments would say: "Go ahead, work less if you want to – after all, the UBI will give you enough income to live on."

UBI and Participation in Work:

Evidence from several UBI experiments is fairly consistent that access to guaranteed income streams does not significantly or generally reduce participation in paid work. In some cases (such as India's program) it has been shown to *increase* participation in paid work, by providing poor people with sufficient resources to be able to seek and maintain paid work (an activity which requires a basic level of resources in itself). UBI may have some negative impacts on participation among particular cohorts: for example, by allowing people to obtain more training and education, or allowing displaced workers to take time for a proper job search for a well-fitting position (rather than being driven by desperation into work, any work, as quickly as possible). Those dimensions of non-participation are both humane and efficient. In general, the fear that UBI would eliminate the willingness to work seems misplaced.

UBI and the Power Relations of Employment:

While a UBI would not likely undermine general participation in paid work, a generous UBI would have important effects on the power relationships that lurk behind wage labour. Employers well understand that if workers have the capacity to decommodify their lives (that is, to live decently without selling their labour), the power of employers to hire workers and extract labour will be diminished considerably. That's exactly why the focus in neoliberal social policy for the last generation has been precisely on clawing back income supports for working-age adults (even while tolerating some income protections for youth and the elderly).

It's not just that income benefits for working-age people are "stigmatised" (they are). But that stigma is a deliberate construct, part of neoliberals' ideological efforts to retrench expectations and recreate a permanent insecurity and desperation among working people. The system can afford to pay a certain level of benefits to reduce poverty among seniors and children. But among the potential working-age population, they want to get as close to the pure logic of "work or starve" as possible. That logic underpins their ability to hire workers at wages low enough to maximise business profits – and their power to tell those workers what to do while they are on the job. That's why Newstart benefits are so much lower than other social programs. Merely redefining access to the entitlement won't alter the interest of employers in harshly restricting income security for working-age adults. It is precisely in order to maintain fear and discipline within the workplace, that those benefits have been reduced over the last generation.

The implications of a UBI for workers' bargaining power in the workplace are important and potentially liberatory. Workers are empowered by access to any non-work sources of income and consumption. (In the U.S., for example, workers are disciplined even more than in other countries because even their health care benefits are contingent on their continuing employment.) And that's one reason why trade unionists should vigorously campaign for improvements to Newstart and other welfare benefits, and vigorously oppose efforts by the right to divide employed workers from unemployed and poor people. But we should be aware of the fundamental challenge UBI poses to the very concept of wage labour – and be prepared to confront the fierce resistance that the idea will spark among employers.

The Fiscal Dimensions of UBI:

There is no doubt that a generous and universal UBI would represent a large increase in overall social welfare spending (depending on the extent to which it replaces existing income security programs, and/or is targeted at particular communities or age groups). There is also no doubt that paying for a UBI is entirely within the realm of Australia's economic and fiscal capacities. Even high-end estimates of the costs of a UBI would still leave Australia's total public spending bundle well below levels currently experienced in the advanced social democracies of Europe. So there should be no debate over whether Australia can afford a UBI; the only debate should be over whether we want to have one (and are willing to pay for it).

In that regard, progressives will need to wage a crucial long-run educational and ideological effort to convince other Australians of the virtues of consuming more of our national output through collective consumption (including public services, as well as income support programs), rather than privileging private disposable incomes. That debate must be won, if the struggle to preserve and expand the tax base is to be successful. That debate is critical to our campaigns to preserve and expand public services, as well as strengthen income security.

UBI and Universality:

The universality of cash payments, without means testing, is a defining feature of UBI. It also makes it an ambitious, expensive idea. Progressives hold differing views about universality in social programs. Some argue that universal programs become embedded more deeply in the political culture of society, since even relatively better-off people benefit from them and hence support them (example: Medicare). Universality also holds promise for avoiding both the stigmatisation of income supports, and the intrusive (and expensive) policing and monitoring which accompanies many contingent or means-tested programs.

Other progressives argue that targeting social benefits more narrowly at those who need them most, allows social programs to achieve more “bang for the buck,” with relatively more progressive distributional effects. Australia’s welfare system is already one of the most targeted, means-tested of any industrial country (including a means-tested Age Pension system); this has both advantages and drawbacks. So there is no single, clear position for progressives on this issue.

A related point: The argument that UBI should be opposed because it would pay money to millionaires is hardly convincing (no more so than arguing that millionaires should not be allowed to use public schools or public hospitals). Obviously, any UBI scheme would need to be financed through a powerful and progressive tax system, so any UBI payments which millionaires receive would be vastly overwhelmed by the taxes they would be paying into the system.

UBI and the Social Wage:

By focusing on cash transfers, UBI proposals emphasise the value of personal monetary incomes, as distinct from the real consumption opportunities provided through public and social services. The extensive, generous, and universal provision of public and human services (including health care, education, child care, public housing, culture, and infrastructure) directly enhances the quality of life of people – disproportionately so for lower-income people. It also reduces the requirement for individuals to have so much money, in order to enjoy a decent standard of living. In a world with limited resources, we will need to carefully balance the desire to put more money into the hands of poor people, versus the equally important goal of enhancing their lives through the provision of non-marketed public services.

UBI and Caring Labour:

Some UBI advocates suggest that having access to a guaranteed stream of income, will facilitate an outpouring of community-based caring labour and social activism on the part of people who are committed to good works, and would now have more time and means to pursue them. Some have even suggested that caring services (like aged care, child care, and others) could now be provided on a voluntary basis by individuals who

do it for love, rather than money. In my judgment, this argument for UBI is misplaced and potentially damaging.

Advocates of high-quality public services have fought for years to have the labour that goes into those services valued more accurately and fairly by society – reflected both in adequate budgets to provide for those services, and decent, secure incomes for the professional public service workers who provide them. By implying that these jobs could now be filled essentially by volunteers (rather than paid professionals), these UBI advocates buy into the false ideas that this is work that can be done by “anyone,” and we should do it because we care for our clients (rather than for the money). These are exactly the false, very gendered arguments that have been used to suppress wages and working conditions for the (disproportionately female) workers who do these jobs for a living. UBI should be positioned as a complement to high-quality, well-funded, paid public sector caring work – not an alternative. And UBI advocates should respect the long struggle to enhance the quality and compensation of caring labour that has been waged by unions and others in these sectors.

The Politics of UBI:

While the UBI excites many researchers and activists, the political challenges of fighting for an adequate universal basic income in the current broader political environment are daunting. After a generation of austerity and poor-bashing, it is a revolutionary change indeed to imagine a welfare system in which everyone is entitled to an adequate standard of living whether they work or not. And campaigning to raise the taxes that would be required to pay for a genuine UBI, would also be an ambitious goal. Others argue that campaigning for a UBI represents a strong break from old-style politics, and hence has potential for tapping into widespread resentment about the erosion of economic prospects expressed by so many Australians. Young people in particular might support the idea of a guaranteed income, given their shaky prospects of finding stable work, and their rightful hatred of the intrusive state surveillance that is attached to existing income support programs.

Short of a big-picture, potentially revolutionary full UBI, we can also imagine a whole set of incremental improvements to Australia’s inadequate income support system that are also certainly worth fighting for: such as boosting the value of basic unemployment benefits (Newstart), combatting the oppressive nature of workfare and work-for-the-dole programs (especially as directed at aboriginal communities), and making other improvements to the general safety net. And instead of seeing stronger income security in general (and the UBI proposal in particular) as an alternative to decent work, we should understand that the bargaining power of workers to demand decent conditions in their jobs is enhanced considerably when they have access to other ways of supporting themselves.