

**PRECARITY IS
THE PRESENT,
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Il n'y qu'à une population parfaitement sous contrôle
que l'on peut songer offrir un revenu universel.
— Comité Invisible, *Maintenant*

UBI — universal, unconditional basic income — is popular talk regarding both the economic future of the majority, and the 'labour market'. Amazingly, UBI's inevitability is taken for granted, but opinions on its format and modalities are so fiercely debated as to result in confusion about what UBI (should) represent(s). This essay attempts to outline common opposing viewpoints and propose a simple resolution to reach consensus on the matter.

Precarity is defined here as crippling uncertainty about one's economic and/or social future. If precarity is the problem then UBI is, to some extent, the answer.

The increasingly precarious conditions of an increasingly large number of people, in both the Global South and North, is the most urgent socioeconomic and political problem of the moment. Poverty and inequality are both its result and its most visible symptoms. This translates to hardships including want, homelessness, poor mental and physical health, hitting a substantial, and ever growing number of people. It is also seen in even more widespread long-term economic uncertainty and vulnerability. Furthermore, it affects negatively the overall well-being of society, making it 'meaner and leaner', less benevolent and unified. Last but not least: it ultimately hurts the economy, and in no small measure.

Precarity now affects the population at large, directly or indirectly. It evidently affects the under-privileged, but also hurts large swathes of the better-off. Middle class people live increasingly in fear of becoming victims of economic melt-down and social status downgrade. Their often highly educated offspring are confronted by a labor market where steady job openings are vanishing. There is great anxiety regarding a future that appears devoid of any prospect of a better life, even one as good as their parents had enjoyed.

The provision of a universal, unconditional income is the sole reasonable and realistic answer. Yet one should realize that, if ever, and properly, implemented, UBI will in no way resolve all at once society's many socioeconomic problems; pockets of poverty will remain, and inequality will decrease, but not disappear. Far more importantly, humanity still will have to resolutely address an unprecedented convergence of crises, foremost environmental. But the odds of this endeavor succeeding will surely be enhanced with UBI.

On the Shifting Nature, and Valuation, of Work, and its Consequences

A largely shared premise is that regular, secure, long term salaried employment as we know it will greatly disappear thanks to robots and algorithms. Observers of current trends talk of a major disruption, predicting that artificial intelligence of all kinds will destroy not only low-skilled work (e.g. cleaning), but also those more highly-skilled occupations (e.g. accounting), leaving only a minority of especially creative and innovative tasks for humans. This assumption, reasonable as it appears, is not totally warranted. It depends on the evolution of what Marxists call the 'social relations of production'. Under specific, unwelcome socio-political dispensations, large-scale automation could just as well result in a plethora of 'coolie labor', provided its costs are low enough. However, we can be sure about the disappearance of work-as-we-know it, something already experienced by the younger generations.

This scenario will obtain whether through outright job destruction, or rather large-scale job displacement. This is also the consequence of another, unfortunate development: the waging of essential work like 'care' as traditional community and household bonds dissolve. Yet such newly waged work is not translated into secure employment at a fair rate of pay, but instead into a variety of flexible, exploitative contractual or informal arrangements. This has in turn spawned the notion that all work should be viewed and remunerated in this way. Business and its right-wing advocates have demanding this for a long time, and they increasingly succeed in imposing this 'new normal' as the template for employment in general, transferring previously salaried work into unpredictable jobs without guarantees and rights and with lower remunerations, worsening working conditions and diminishing benefits.

Society, as it moves away from the 'abusive, historic, identification of work with salaried work' (Carlo Vercellone), appears to jettison salary instead of work. UBI, properly understood and implemented, should foster security of income entirely independent of work, whether waged or not.

The ongoing disappearance of salaried work has engendered the perverse belief, widely shared in libertarian and neoliberal circles, that traditional, collective work has no merit, and should be spurned. Merit (and value) should solely accrue to individual entrepreneurship, and the labor that underwrites it should ruthlessly be flexibilized for profitability. Labor, like all other 'factors of production', is deemed to carry a zero-base price, meaning that every increment should be viewed as a cost and pruned as much as possible.

The withering of a stable link between work and a secure wage has been well-theorized. 'Gig economy' and 'Uberization' typify economic relationships praised by the libertarian elite, but hardly by those forced by circumstances to engage in them. Where work is remunerated it is for the outcome of the actual work, at an often much lower rate. I will illustrate the point through the example of the 'intermittents du spectacle' in France (portrayed, a.o. by Bernard Stiegler). The 'intermittents' are people working during the cultural season, and hence only part of the year, in the technical side of cultural events and productions. Theirs is a condition of part-time employment (hence 'intermittent'), but of full-time work, spending the cultural season's 'slack time' (roughly 7-8 months) in quasi-permanent education and training, honing the skills they need to perform the array of tasks assigned during the summer's events. The later work is

perceived as merely technical, routine-like, and paid accordingly, but the real work in the 'slack' times is not waged, while the waged job, in season, only consists in putting the outcomes of this work into practice — at devalued rates. Workers are paid, part of the year, low-skilled wages for their efforts at maintaining high-skilled competence, the time spent on which is only retributed in the form of unemployment benefit. Needless to add, this is itself under vociferous attack by employers, since the 'intermittents' do not perform visible, and hence quantifiable work during that time.

This pattern, which arose in the realm of 'cultural production', is now becoming the 'new normal' in more professions. That it took root in the traditionally underfunded and looked-down-on spheres of the arts and culture is not an unfortunate coincidence. It reverberates the increasingly 'dematerialized' quality of work in many sectors of the economy (e.g. 'services' instead of 'industrial production'), where erratic relationships between work and pay are easier to implement. This is why teachers with short-term and part-time contracts are no longer paid for the time they spend preparing lessons and refresh courses.

Thus all forms of work tend to be downgraded in monetary terms and security of employment, while working conditions go down almost faster than the pay. This follows from the deleterious economic discourse described above, which should be understood as profoundly ideological. Where only entrepreneurship is valued, 'ordinary' work and the human being performing it, becomes an inconvenience, a maximally compressible cost factor. No wonder this attitude often goes together with wet dreams about full automation, where illusions of zero labor costs are only outmatched by delusions about the direct and indirect costs of 'hiring' robots.

This is further fueled by widely adopted, pernicious algorithm-based management tools, appropriately dubbed 'weapons of math destruction' by Cathy O'Neil in her book of the same name. Make no mistake, such ideas about managing the corporate economy are not merely business-as-usual; they are also detrimental to sound and sustainable business in the long term. Since the effects of short-termism are perfectly well known, it simply comes down to lining one's pockets at the helm.

UBI disrupts the commonly held belief that earning money through work is essential for survival, something society apparently inherited from the Judeo-Christian tradition ('in the sweat of thy brows thou shall eat bread ...'). UBI, by providing the guarantee of an acceptable standard of living to all, prevents the foreseeable race to the bottom in terms of wages, working conditions, and security of income for the majority. It enables the 99% to invoke and enforce the power to say no. Conversely, in the absence of UBI, increasingly scarcely remunerated slots of the future global workplace will continue under increasingly abusive conditions. Society at large will revert to something close to a Hobbesian state: solitary, poor, nasty, brutish, and short. Such a scenario would hopefully be unpalatable even to the 1%. Therefore we may conclude that UBI is both necessary and unavoidable.

What UBI Should Be — or Not Be

Having looked at the material aspects which point to the implementation of UBI, it is also essential to look at the immaterial ones.

If UBI is conceived as not only a mere prop to personal incomes but also an essential building block towards a fairer society, it becomes impossible to implement if looked at only from a strictly individual security point of view. A purely economic approach to UBI risks becoming an argument about 'reforming' the welfare state, replacing not only individual, but also collective benefits. This is the hardly concealed design of the right, bent on abolishing welfare altogether, releasing huge savings on the state budget to immediately transform these in tax cuts for the rich.

It is therefore essential that UBI be not only a guaranteed income, but also an assurance regarding one's opportunities as a fully participating member of society. What the latter makes possible is freedom, both negatively — e.g. freedom of fear — but also positively, as the enhanced possibility to act at one's own liking. UBI is therefore the harbinger and the pre-condition to bring about a just and more convivial society.

We can also look at UBI as the rightful retribution for what one does for society, merely by virtue of one's existence — by simply being there. That may seem abstruse at first sight, but it is not different from the rights granted to any person on the constitutional level. It only extends such rights in the material sphere, which are already enshrined in most constitutions where it is the first and final duty of society to ensure the well-being of each of its members.

We can conclude that UBI should be and cannot be anything else but a contributory benefit, representing a universal and unconditional right to the material means of a decent life. It presents an all-inclusive opportunity to participate actively and fully in societal life. We understand by this the freedom to engage in activities which are both beneficial to the community and gratifying to the person performing them, something sorely lacking under present conditions. If UBI were to come about, there is no doubt that a different type of human society would slowly emerge, which would take up seriously, at the very least, the development of so-called 'green capitalism'. One may of course hope, campaign and militate for more, for a vast and genuine transformation of society towards the sustainable future we all crave.

We can now turn to a few practical questions which have bedeviled the debate about UBI.

On 3 Practical Questions Commonly Voiced About UBI

1. Can UBI be Financed?

The answer is an unqualified yes — the money is there. But only if there is the political will strong enough to take the necessary economic measures, specifically in the sphere of taxation. This requires a relatively easy (if politically daunting) realignment of the share of the fiscal burden between categories of contributors, and this means between households and firms. It would also require a substantial 'de-financialization' of the economy on a somewhat longer term, that is a near-reversion of the ratio between 'immaterial' (aka 'virtual') and 'material' (aka 'real') money in society's fiduciary balances. Indeed, the amounts rolling over in the global financial sphere exceed the sum total of actual on the ground economic activities by a factor 10 — or higher. Once introduced, UBI may well accelerate this shift even further since, at present, the financial behemoth largely feeds on debt, a lot of which consists of consumptive credit.

Taxation-wise, after careful study of its consequences on the distribution of wealth and incomes, (specifically, on its impact on the incomes of the poorer parts of the population) one could think of fully streamlining taxation into one single measure: a tax on all monetary and financial transactions, that is, on all formal movements of money.

2. Will the Introduction of UBI Depress Work-Related Incomes, Wages and Other Remunerations?

Here the answer is a slightly more qualified no, as very much hinges on the modalities of UBI as implemented. However, a genuine UBI sets the floor of individual income at a level that secures all a person's basic needs. Obviously, the problem here lies with the definition of basic needs. The higher the standard is set, the more difficult it becomes to fund. But conversely, too low a standard would obliterate the very opportunities UBI is intended to provide. And on the marketplace of labor the most important one for a job seeker is the effective right to say 'no'. This is the trickiest issue regarding the implementation of a sustainable and effective UBI policy. Yet in any case, having to pay good money for work which by its nature cannot fall within the voluntary sphere, and for which there still is a demand, will remain a fact of life in the commercial sphere. Thus businesses will have to propose appropriate earnings if they wish to recruit motivated collaborators.

Therefore, once a reasonable standard of UBI is established, there is little reason to believe that 'the going rate for labor' would fall substantially below the currently prevailing one. Wages might even turn out to increase, since businesses will have to compete with the non-commercial, non-profit sector of the economy, opening up many rewarding activities in the 'commons' sphere, given the existence of UBI.

This is also the principal argument to reject any declination of UBI implemented along lines proposed by some right-wing/ libertarian opinion leaders: slashing or abolishing outright social/public services as a quid pro quo for its introduction under the false pretense of budget neutrality. Such a fraudulent neo-liberal/ libertarian interpretation would not only keep the scourge of precarity going, but indeed quickly transform UBI into not a minimum but a maximum income for the '99%'.

3. *What of the Place of Welfare (as We Know it) After UBI?*

The answer is that it should largely stay in place — if thoroughly reformed. Neo-liberal/ libertarian economic doctrine, having, reluctantly, accepted the inevitability of UBI, demands it be traded against a massive reduction, or even total abolition, of welfare as we know it. Yet, cuts in social benefits and subsidies on public service provisions like housing, health or education, translates in immediate additional expenditures for recipients of UBI, nullifying all the advances it represents. Slashing subsidies and making public services more expensive would defeat UBI's other crucial purpose: buying social peace in economically unsettled times for the majority.

Hence, maintaining a welfare state — minus direct monetary transfers — that is consistent with providing access of essential services to all is not only a corollary condition, it is a sine qua non of an authentic UBI. In the end, UBI, the maintaining of such subsidies and the provision of public services at a budget neutral level will have to be funded by mobilizing existing resources in society, meaning an increase in taxation. Many economists have done the math already and concluded that the overall level of

taxation would indeed rise after UBI, but far less than argued by detractors. Furthermore, shifts in the modalities of taxation, as already alluded to, will enhance the income position of the poorer households, and would make little or no difference to the average taxpayer (though wealthier classes will be hit harder than at present).

We may look now at some other important issues pertaining to, or impairing, the debate around UBI.

On the Political Outcomes and Consequences of UBI

A growing perception of economic and other forms of insecurity among an increasing part of the population — well-illustrated by the popularity of the precarity moniker — has made those individuals disgruntled with the existing political dispensation.

This has fostered, in the Global North, the appearance and stark expansion of extreme political movements, especially at the right side of the spectrum. These are threatening democracy, the rule of law, the arts and culture, and human rights and fundamental liberties in general. Unlike those of the political left, the right's arguments are, not so slowly and stealthily, being adopted by established (center-)right parties.

One should never forget the rise of European Fascisms in the 30s. However uncomfortable the fact, these were truly popular movements, and their rise was greatly helped by the previous powers being unable or unwilling to stem the general impoverishment caused by capitalism's crisis and the ensuing Great Depression. We are at the threshold of a crisis of the same, if not perhaps even greater, magnitude.

That lesson should be clear and UBI is evidently the sole alternative to this disaster happening repeatedly. Decision makers failing to confront this, be it by design or by default, can be sure to pay sooner rather than later for the price of their shortsightedness.

The Risk of a 'Pull Effect' of UBI on Immigration

This issue is indeed a big elephant in the room when discussing the likely outcomes of UBI. The opinion that granting UBI to everyone in a given territory would attract masses of (poor) outsiders and make the system unsustainable is widely shared in some circles, and is just as widely being suppressed among their opponents. Both extremes are unfortunate and prevent cool-headed reasoning.

The likelihood of a pull effect is real. But it should be seen in present and future contexts. Granting unrestricted UBI to immigrants delivers a different outcome compared with the settled population because immigrants wish, in general, to earn money not only for themselves, but also for their kin at home. They are thus resolute savers and remitters, and this practice undermines an unstated but not unimportant purpose of UBI: pushing local demand for goods and services.

There are several possible answers to this situation short of preventing immigration, which is as impractical as it insults basic morality.

To start with, the imbalances caused within society at large — specifically by excessive marketisation and financialization — should be addressed. Regarding UBI, part of it could be 'demonitized' by making a basket of social goods and public services avail-

able for free, e.g. health, and education, or at a very nominal cost, e.g. housing, utilities, transport. This would be to retain part of UBI in the economy that funds it. Formalizing and expanding the use of local currencies, possibly ones carrying a demurrage charge (cf Silvio Gesell), is another option. Making UBI partly payable on electronic instruments (e.g. chipcards) with a limited geographical validity is feasible, but goes with a contraction of a recipient's freely disposable income. Even non-fiat crypto-currencies have popped up in some UBI blueprints, but then, among other things, stark issues of general usability arise.

Finally, one could trade an initial UBI disqualification of immigrants, against allowing them free movement in and out of a particular UBI-allocating jurisdiction. Immigrants could then gradually gain access to UBI, say after several years, as is the case with naturalizations. This would also alleviate fears of an 'alien tsunami'.

'Legions of Couch Potatoes' as a Consequence of UBI

Morally (turbo-)charged opponents of UBI often allege that, among many other evils, UBI would effectively amount to a premium on laziness and lull its beneficiaries into a terminal coma of gawking in front of screens 24/7/365. Some corroboration to this might come from surveys in the U.S. among recipients of social benefits, especially Medicaid. They also point out the addictive effects of almost permanent 'social' media usage within our thoroughly fragmented and individualized society, especially among those with limited schooling and skills

This, however, appears to be an exaggerated scenario. One can expect UBI, once implemented, to trigger an at least partial reformation of society towards more voluntary work openings, more conviviality and more co-operative and relaxed lifestyles in general. This would provide both the opportunity and the drive to participate in 'the commons' in one way or another. There for sure will be a minority of people preferring to enjoy what others may see as totally empty idleness, but that will be a very tolerably small one (one recipient in 10? One in 8?). This is not a valid reason to ditch UBI.

Taxation and the 'Poverty Trap'

We have briefly discussed that, given reform in the current system of taxation, UBI is affordable, even if it would constitute a major component of public expenditure. But this is no way unworkable, or even unprecedented. The French social security system, for instance, swallows up 30% of current GDP (100% when it began after WWII!), and yet nobody seriously suggests abolishing it.

Some tricky issues will remain unresolved, however, and might derail UBI implementation unless carefully attended to:

1. Direct (Income) Taxation After UBI

Some have suggested income-taxing from the very first unit earned after and above UBI, preferably in conjunction with a (low) flat tax — the evergreen dream of the political right. This suggestion should be resisted; like the curtailing of social and public services, this would intolerably reduce recipients' actual disposable income, as well as reduce the total amount of tax leviable.

There should be a tax credit/rescission extending quite some way after UBI (my hunch is: up to the amount of another UBI) to offer maximum incentive to participate, in some way, in economic life. After that, income tax rate should not be flat but instead progressive, and steeply so, both to fund UBI, and also to decrease income inequality. Concurrently, punitive taxation should apply to (very) high incomes, to achieve a further reduction in (material) inequality. This would be merely a reversal to the situation prevailing for two or three decades after WWII in the Global North, where in some countries the highest marginal rate of tax was surprisingly close to 100% (as in the USA!).

2. Indirect Taxation and UBI

The idea of substantially funding UBI, and state expenditures in general, by way of steep levies on consumption, particularly sales and value added taxes (VAT), has proved invidiously popular, especially on the right. This only confirms what is economically acknowledged, and politically ignored: that indirect taxation is highly regressive and favors the wealthier segments of society. In fact, the tweaking of VAT upwards functions as a proxy for unrealizable flat tax on incomes, and should be rejected on the same grounds. Levies on consumption affect people with low incomes much more than they burden the rich, whose larger outlays in investments, savings etc. are taxed less if at all. High levels of indirect taxation hence inevitably cancel out some of the desired income effects of UBI, even though high demerit taxes on environmentally or otherwise socially objectionable elements of consumption should be admissible.

3. (Social) Benefits After UBI, and the Scourge of the 'Poverty Trap'

We have already argued that a curtailment of social benefits after UBI is a total no-go. However, maintaining them as they are administered in many jurisdictions is also a dead-end. Under the current dispensation, benefit recipients are gradually weaned off them as their income increase. Unfortunately, this 'decrement by increment' policy results in practice in a tax on the additional income approaching 100% — sometimes even exceeding it — something that would of course be utterly unacceptable if it hit wealthier citizens. This state of affairs now constitutes a potent disincentive to accept any form of work not very highly paid, and that would not change under a UBI regime. Hence, phasing out of income supporting subsidies, while acceptable in itself, should be done very gradually like slabs in a progressive income tax, and so not result in an unfair loss of incremental income.

It should be clear by now that UBI demands a new approach to taxation and all its income-related corollaries affecting households. But it should be equally clear that this approach requires caution, lest the appearance of perverse, negative effects. A pragmatic, if politically tricky, approach would simply be shifting away the main burden of taxation from the personal ('households') to the corporate ('firms'), as mentioned earlier. A more radical but preferable approach, in my view, would be to do away with the whole concept of taxation and move towards a single, universal levy on the movement of scriptural money — the money of the rich and the corporates — while leaving cash, and/or its (yet to be developed), electronic stand-ins off the hook. This is undoubtedly heady stuff, which clearly needs further research. But it might be our only way towards a better society in the long run.

The ‘Problem’ of Funding UBI

The absurdly simple — if difficult to comprehend in a politically productive manner — answer to any ‘TINA’-styled objection to UBI merely lies in an elementary modification of the choice of two out of three options made by a government, options which, if taken together, are incompatible.

These options are: (i) maintaining/increasing the standards of living of the national population as a whole; (ii) allowing for the free movement of capital between unequally governed jurisdictions with regard to taxes, labor laws, etc. and (iii) stabilizing monetary values, i.e. the exchange rate of the national units of account against those of other countries.

Under transnational capitalism, fired by a neo-liberal, and now increasingly libertarian, ideology, this choice has systematically favored the last two elements. This at the detriment of the first, even though it embodies the vast majority of the people.

Undoing this choice is a primal condition, yet also an inescapable outcome of introducing UBI on a large scale. It will also have the positive effect of cutting deeply into the rent incomes of the 1%.

Basic or Minimum Income, Disposable Income, and UBI: Welcome to Obfuscation Central

Under our current dispensation the common attribute and trend of all lower incomes, indifferent to whether they are waged or obtained through social benefits, is an ever-diminishing proportion of freely disposable household income left after all necessary, incompressible expenses (e.g. rent, insurances, taxes, etc.) have been paid. This is even the case when the income obtained is itself not declining or even moderately increasing. This is the first thing that needs to be considered, and reverted, before and when implementing UBI. Therefore, a healthy margin of freely disposable income must be ensured for UBI recipients, because it forms a basic requirement to alleviate the feeling of precarity and encourage initiatives.

The question of at which amount UBI should be set is a vexed one. Here opinions vary greatly, and aside from real or perceived funding issues this is caused by confusing UBI with a minimum or ‘basic’ income. A better point of departure would be a living income (as in ‘living wage’ demanded by labor unions), ensuring one lives not on the edge of poverty but with dignity. That need not require an extravagant sum, but is surely something significantly above the absolute poverty line. Amounts of CHF 2550 or €1200 a month for a single person in Switzerland and the Netherlands respectively have been suggested, and appear realistic to ensure a decent, if sober, living standard. Conversely, any amount dished out to citizens (a.k.a. ‘helicopter money’) is welcome and will some way go towards fulfilling the purpose of UBI. But it should not be called UBI.

Finally, it is unavoidable to stress and repeat that UBI should be unconditionally universal. Ridiculing the prospect of zillionaires receiving UBI is damnably disingenuous, since progressive income tax will recoup those monies, and then some. Playing ball with unconditional universality is a blueprint for the kind of red tape and meddlesomeness that has disqualified for good ‘nanny state’ welfare.

Introducing UBI at a fair level of allowance will largely, if not entirely, eradicate precarity, precarity understood as economic uncertainty and/or vulnerability. After receiving UBI it will remain each individual's responsibility to deploy the necessary initiatives to move up the ladder of material achievement, if so wished.

Poverty, especially relative poverty, will be substantially lessened, although not totally obliterated. At the bottom tier of the social order, UBI payments will ensure a decent, if sober, living standard. At the top of the income and wealth pyramid, steeply progressive taxes should reduce incentives to demand and obtain unbecoming levels of remuneration. Furthermore, outlandish displays of wealth and luxury, which are all too common in our times, will carry, if not moral rejection, then a hefty tariff. Outlandish levels of conspicuous consumption are a powerful social destabilizer, and should be challenged.

Inequality, to conclude, will be partially tackled but certainly not overturned, with the introduction of UBI. One should dare to argue that its elimination does not, and should not, rank very high in the aims of UBI. Social engineering has limits which should be acknowledged and respected, and experience shows that inequality is not much resented if kept within reasonable bounds. Meanwhile, a general 'softening' of society, which one may expect from implementing UBI, should go a long way to flatten the distribution of what former Dutch PM Joop den Uyl famously, if problematically, described as the hallowed trinity of 'knowledge, power, and income'.

References

The ultimate resource on UBI is the BIEN site, for Basic Income Earth Network: <http://basicincome.org/>.

The Precariat, the social category the most talked about when it comes to UBI has its own singular store of expertise, clustered in one individual: Guy Standing. He is basically a one-man resource to next to everything that needs to be known and said about UBI: <http://www.guystanding.com/>.