

## Transcript

### Upstream Podcast

Episode 7.2: Universal Basic Income - A Bridge Towards Post-Capitalism?

Della: Della Duncan

Robert: Robert Raymond

Erik: Erik Olin Wright

Kathi: Kathi Weeks

Matt: Matt Bruenig

Richard: Richard Wolff

Doug: Doug Henwood

Martin: Martin Kirk

Rutger: Rutger Bregman

Juliana: Juliana Bidadanure

Sofa Gradin: Sofa

*[Upstream Theme Music - Lanterns]*

*[River sounds]*

Men's and Women's voices: You are listening to Upstream.

Della: A radio documentary series that invites you to unlearn everything you thought you knew about economics. I'm Della Duncan.

Robert: And I'm Robert Raymond.

Della: Join us, as we journey upstream.

Men's and Women's voices: To the heart of our economic system and discover cutting edge stories of game-changing solutions based on connection, resilience, and prosperity for all.

*[Street interviews]*

Robert: I have a follow-up question. So this is a little bit more of an abstract question. Looking at the long run, long term effects of universal basic income, do you think that it could move humanity from our current capitalist system to some kind of new system, post-capitalism, let's call it.

Street Interview 1: I think it would be a step in the direction of accelerating capitalism to its inevitable end, but it still is implying capital because you're working with money and an income, but capitalism is [inaudible] to the accumulation of money. A better question is, if we're in that zone already, and we're looking back at the history book, and we're like, 'what turned the tide to make this thing happen?' I think it would be seen as one of the parts. It won't be the turning point, but it'll be one of many turning points, like any vector image.

Robert: One of the straws on the camel's back?

Street Interview 1: [Laughs] Yeah, the capitalist camel?

Robert: Yes.

[Laughing]

Robert: What's your name?

Crystal: Crystal Laure [sp?] and yes, I think if it's done well it could really, I think, change the economy and yeah, the way we think about things. There are already a lot of things being done, new initiatives that are challenging the capitalist way of doing things, and think that this would definitely contribute to busting that system.

*[Music - American Football]*

Della: That was Robert on the streets of San Francisco asking people our big question for this episode — could universal basic income be a bridge towards a post-capitalist future? *This* is the question that we'll explore in this second part of our 2-part series on basic income.

In our first episode, we demonstrated how a progressive UBI not only alleviates poverty and supports people whose work isn't waged, but also that it has the perhaps counter-intuitive effect of actually encouraging people to be more productive in their lives, enabling them to do more work that is meaningful to them.

But what if we were to zoom out and explore universal basic income's potential for bringing about system change? Could a progressive UBI radically transform our current economic system and spell the end of capitalism? Or, alternatively, would it fail to go far enough to address its structural inadequacies? Or even that a UBI might actually soften the edges of capitalism and ultimately serve as a way of keeping the system going?

To begin this inquiry, let's start with where we are and the system we are currently in...

*To begin this inquiry, let's start with a brief exploration of the system we are currently in...*

*[Cloudland Interlude]*

Young man's Voice: Good afternoon, our topic today: what is capitalism? We hear capitalism, capitalistic system, on every hand. On the radio, in newspapers, magazines, books. In lectures and daily conversation. But just what is capitalism?

[Harp sound]

Della: This is Sofa Gradin, Lecturer in Politics and International Relations and Queen Mary University of London, and political organizer, from their podcast World Power.

Sofa: So, firstly, capitalism focuses on the private ownership, not only of property in general, but what Marx called, the means of production in particular. And the means of production are things that you can make money from. So, your toothbrush or a photo of you as a cute baby are not means of production. But a machine, or a warehouse building would be. In other economic systems, the means of production might be owned by collectives of workers in cooperatives, or by the state, but in capitalism, the means of production are owned by individuals who have bought them for their own personal gain. And what follows from this is that you have a distinction in a capitalist company between the owners of the company on the one hand, and the workers on the other hand. And in this relationship, the workers work and create value for the company, but the value that the workers create goes to the owners of the company. And the workers only ever get a wage that is as low as possible, regardless of how much value they create for their bosses.

Secondly I would say capitalism focuses on profit. And a profit is a financial gain calculated on a short-term basis every quarter, every few years, maybe every year. So if a company, for example, harms the environment — emits CO2 that will create problems for larger groups of people thirty

years from now — that is not included in the calculation of that company's finances, and that company's success or otherwise.

Thirdly, I would argue that capitalism focuses on competition between different firms in the market. Different companies are supposed to compete against each other and take a larger and larger market share — actually you could say that all capitalist companies are basically trying to become the monopoly in their market, because they're constantly striving for a bigger market share, and for a bigger profit, and there is never a point at which a company would just sit back in their chair and say, "Oh, now we've achieved enough, now we can stop."

Erik: Capitalism is an economic system in which power over the allocation of investments and the control over basic economic activity is vested in owners of capital.

Della: This is Sociology Professor Erik Olin Wright at the University of Wisconsin, Madison, whose work offers a way of seeing UBI as a path beyond capitalism.

Erik: That's what capitalism is, it's a particular kind of market society in which ownership of capital gives you the right to boss people around and to allocate resources. And an economy is capitalist when capitalism dominates the overall system of economic relations.

Della: The economy's not an end, but a means for how we meet human needs within the limitations of our planetary home. And Capitalism is just one of those means in the form of a market run by private ownership. But this isn't the only way we meet our needs, it's just the dominant one.

Erik: When we say the United States is a capitalist economy, that's a kind of shorthand for a much more complicated description. The fuller description would be to say, 'the economic system in the United States consists of a vast array of quite different kinds of economic relationship within which capitalism is dominant.' So, that kind of more complicated description implies that capitalist economies like the United States already contain many non-capitalist forms of economic activity.

Della: These would include, for example, the care economy, the cooperative economy, and the not for profit economy. These are all non-capitalist forms of economic activity which all currently exist alongside capitalism. In this way, we can imagine the economy, in the words of feminist economists Gibson-Graham, as a global sea of capitalism with many islands of alternatives.

Erik: My argument for transformation then consists of thinking about various ways in which we can expand the non-capitalist forms, within this complicated configuration that combines capitalism with non-capitalism. So I look for economic forms that are more egalitarian, more democratic, and more solidaristic and ask: are there ways that we can — even inside of a capitalist world — expand and vitalize those sorts of economic activities?

Ok, so how does UBI fit into this? What's the relation between unconditional basic income and the development of non-capitalist possibilities? If we lived in a world where people could freely move from one kind of economic relation to another — so their participation in either the capitalist or cooperative market was entirely voluntary — they could simply decide, 'I want to live that way of life,' and opt for the non-capitalist form of relations. First of all, that would be a very different world from the one in which we live. Second of all, it would mean that the capitalist part of that economic system would be way less powerful — that is, the power that comes from owning capital would no longer be able to dictate the conditions of life to other people. And thirdly, it would make possible a balance between these different forms of activity that I think would tremendously enhance social justice, solidarity, and democracy for everybody. It would actually be a more just society even for those people who decide they'd rather work in a capitalist firm.

Justice would be enhanced broadly not just for those people who opted out. An unconditional basic income is then one of the things that might facilitate such a transition.

Della: Let's look more closely at a couple of examples of non-capitalistic forms of economic activity and explore how they might be strengthened in a world with UBI.

Erik: It would guarantee a whole flow of income to all sorts of mission-driven organizations, from community organizations, to nonprofits, to activist organizations, you name it. Think of the performing arts, you know music, dance, theatre. You know, the classic image is of the starving artist, right? The young person, usually, who is dedicated to their artistic endeavors, and lives miserably because of their passion for art. Or theatre people who have a day job, they wait on tables and do theatre in the evening. Well, an unconditional basic income, in a sense, liberates theatre artists from having to earn as much income outside of the theatre, and therefore it becomes a way of expanding the space in the economy for performing arts as a form of economic activity which does not have to rely entirely on market-generated income in order to support its participants.

Della: So capitalism *could* be eroded if people were truly given the choice of fully supporting and empowering alternative economies. But is this erosion guaranteed?

Erik: What a UBI does is to give people resources to behave in different ways, but it doesn't force them to behave in different ways. You know, it doesn't guarantee that people will take the opportunities created by having the ability to say 'no' to capitalist labor markets and then build the more solidarity and social economy in the ways we talked about — it doesn't guarantee that at all, but it makes it possible. And the sense in which it makes it possible, that is, in and of itself, a change in power relations. Because it's power that prevents them from being able to do it under existing structures. And then it's a question of how people react to it and what kind of social movements emerge, what sorts of efforts to indeed change people's ways of thinking come about in a context where if you change your way of thinking you can do something different.

*[Music Break - J. T. Harechmak]*

Della: So the increased freedom that would come with a basic income would give people the choice to decide whether or not to enter into capitalist relations — but there's no guarantee that this would happen. With this in mind, it seems important that any movement for a UBI be accompanied by campaigns and movements to show how harmful capitalism is, to shift people's thinking around possibilities, and to invite people to participate in alternatives.

But what if these complimentary campaigns don't gain momentum? What if they're stifled by those in power? What if a tipping point never takes place? Is there a real risk that without a significant shift towards alternatives, a UBI could just help to keep this system going.

Kathi: Whether a guaranteed basic income would just sort of allow capitalism to survive...I mean, yes.

Della: This is economist and author Kathi Weeks - we heard from her in episode one.

Kathi: And I think that's why the politics of basic income have sort of become much more possible, because I think really, this is the way that capitalism can survive. It can't survive if it's not gonna work as a system of income distribution, and it's really not working well and that's becoming much clearer to more people. So I think if capitalism is gonna to have a future, I think basic income is, you know, is gonna be necessary. But again, I don't think that means that it's going to shield it from critique. I think in the process of trying to save itself it's also going to open up other kinds of possibilities for disruption and for antagonism and for political opposition. So again, I really, I think that it's both a mere reform, but it's a mere reform with real potential to get us to a different place in the future.

Della: The argument that a UBI could actually save capitalism makes sense if we're talking about it as a kind of welfare program that helps to redistribute income. We'll explore whether or not it's helpful, or even accurate, to view basic income as a form of welfare later in the episode, but for now, let's explore how welfare works and the role it plays within capitalist economies.

[Phone ringing]

Matt: Hello, this is Matt...

Della: We called Matt Bruenig, a researcher and writer whose work focuses on welfare, poverty, and inequality.

Matt: Capitalist economic systems, despite their being really good at creating a lot of stuff, and producing a lot of stuff, they also are not very good at distributing that stuff evenly, and not very good at making sure people have security from, sort of, random or unfortunate events. And that is what creates a lot of poverty and inequality in society. So, the leading causes of poverty in any given capitalist country are old age, disability, unemployment, students or caregivers often find themselves in poverty. And this is just, sort of, capitalism doesn't have a good way of integrating those people into the way that it distributes income. Capitalism only wants to distribute income out to people who are working and to people who own a lot of stuff. And there's this middle ground of people who are neither at any given time, even though they may have worked in the past, or they might work in the future. And so things like UBI, or the welfare state in general, are the solution to that problem, to set up alternative ways of distributing income in society that aren't based purely on this kind of ruthless, capitalist efficiency and that I think is sort of the basic problem that all welfare programs, whether UBI or not, is trying to solve.

Della: By providing an income to people who are engaged in activities necessary to capitalism, but that capitalism tends to ignore — like parenting or caregiving in general — welfare actually plays an essential role in keeping the system running. And *if* we view basic income as another example of welfare softening the edges of a ruthless capitalist system, then we see that it doesn't actually tackle the root cause of the problem, which is ultimately the system itself. Here's Richard Wolff, economist and Professor at the New School in New York City. We spoke with him at his home in Manhattan.

Richard: Capitalism has always, from its beginning, failed in a fundamental task. It failed to provide meaningful work — even under its own terms of exploitation — for everybody. I couldn't do it. Its own mechanisms mean that when you even get near to full employment, the position of workers bargaining for wages allows them to push the wages up, which makes the employer react by saying, 'well, I'm not going to pay you that high a wage, so I'm firing you, I'm not hiring you.' Plunging them back into unemployment. It's its own mechanisms, to make a long story short, that prevent the system from ever achieving full employment. It's always only a question of how many people will be unemployed, how bad it will be, how long will it last, all of that. And the problem is that's not a viable system. Why? Because people who are literally without work, and therefore without income, are going to have very little to lose. Unless they quietly walk off into the woods and die, which some do, but most won't, they are going to try to find another way to exist, and they become the beggars, and they become the thieves, and they become the marauding gangs — whatever you want. So the system has to come up with that.

And so it invented — it took centuries — it invented what we nowadays call welfare, or the safety net, or a whole variety of terms like this, in which you basically say not, what kind of system leaves large numbers of people bereft, and even if it pays them, pays them so little that they can't live. We're gonna solve this problem by let's see, taxing a bunch of money from those who have it, in order to basically give it to these people so they don't make trouble. We say to them ok, live over there in that shitty part of town, but we'll give you enough that you can eat, we'll give you a food stamp, and we'll give you a section eight voucher to live in public housing, and we will give

your kid a free breakfast at school if they qualify, because we pay you so little that your life is miserable. And that'll be called, if you lump it all together, a guaranteed basic income. Hmm. The rational response to this would be, 'wait a minute, why do we have a system that creates this thing?' We don't do that. We dare not ask those questions in our culture. So we have basic income, welfare, charity, whatever you want to call it, to keep these people going.

But no sooner do you do this than you set up a struggle. All the people who have money — a job income — they're gonna have to now be taxed to raise the the money to take care of the people on the basic income. They don't want that. They worked hard for their money, 'don't take it from me.' Every right-wing jerk, in any culture, has always seen a great opportunity here to deal with anger of those one step above those on welfare who don't want to be told you have to pay for — of course, the answer for the masses would be make the rich pay. And the rich understand this all too well, which is why they buy the politicians to make sure that's not the way it's done. And then they make sure that the way they escape their share of taxation is to be set the workers against the unemployed in an endless, horrible fight that often leads to violence. And that leads to social conflict, and that leads to Brexit votes and to Trump elections, and to all the rest.

Two years ago a French economist named Thomas Piketty writes a famous book, "Capital in the 21st Century," six-hundred page book. His book shows in every capitalism that the world has seen, any country, and time, you let capitalism function, it creates an ever widening gap between rich and poor. The only time that is constricted is when people rise up, like they did in the 1930s, and change it all out of rage about this thing. And as soon as that rage passes, it's undone, like we undid the New Deal, and we start the same — which we are now in the middle of, you know.

So what's my response? We don't need and we don't want — because it's socially destructive and socially divisive — to have one group of people who work and another group of people who don't. Give everyone reasonable work, and give everyone reasonable pay. Our societies are being torn apart by struggles over redistribution. Do we take, and from whom, to give to those less fortunate — as if it was a matter of fortune, rather than an economic system that doesn't work. Redistribution tears societies apart, it's — here's the parallel: you're going into the park on a Sunday afternoon, you're a married couple, you have two children. One is six and one is seven, and you stop because there's man selling ice cream cones. And you give one of your children an ice cream cone, it's got four scoops. And the other one, and ice cream cone with one scoop. And you continue walking. Those children are going to murder each other. They're gonna struggle. What are you doing? And don't then come up — 'okay, you've had — you've eaten this part of your scoop, so give the other part of your scoop to your sister, or your brother,' — stop. The resentment of the one who hose his ice cream or her ice cream — you see where I'm going? Every parent that isn't a ghoul understands, give each child the same damn ice cream cone — two scoops each. You don't need redistribution if you don't distribute it unequally in the first place. Capitalism is congenitally incapable of distributing equally.

Della: So would a UBI just act as a different kind of welfare, temporarily propping up a fundamentally flawed system, and simply serving as another concession to eventually be eroded and dismantled by the capitalist class? Or is it different somehow? We asked economist and author Doug Henwood — who you heard from in our last episode — if UBI is worth fighting for and if *he* thought it could actually lead to the erosion of capitalism.

Doug: Well, you know, it's not communist revolution. That's for sure. It's not workers taking over the means of production. But, there's a very famous essay by the Polish economist Michal Kalecki, I think it's called "Political Aspects of Full Employment." And he said that if workers feel more confident, they're more likely to make demands. And I think the capitalist class understands this, which is why they get nervous when the unemployment rate gets too low, which is why they'd probably be very strongly opposed to a universal basic income. So I think it would be a just thing to do in the short to medium term, just to make sure that people don't fall below a certain level of income. But it would also, I think, encourage them for the future. It would make them more likely to make demands. Elites have been very, very successful over the last several

decades in ratcheting down people's expectations. People are just now like happy to have a job. They're happy not to get shot in the street, you know, it's just like people don't expect very much out of this system, and when people don't expect very much they're not gonna get very much.

So I — even if it is not radically transformative, although I think a lot of employers would find it that way, a basic income would embolden people to expect more out of the system and more likely to — be more likely to make demands on the system in the future, which I think is a good thing. So, a band-aid is not a — or something larger — a larger bandage is not a bad idea if you're bleeding. You know, it's like, and, you know, it's certainly not a cure for a broken bone or cancer, but it's certainly — a band aid can be a very useful thing if you've got raw skin that needs to be protected while it heals, there's something to be said for band aids.

[Music break]

Della: On the surface, the effects a UBI *would* look quite a lot like those of welfare, so it's understandable that the two are often conflated. But there's something *different* about UBI. It's like a key that if turned *just* the right way, might unlock a door. A *big* door. With something pivotal on the other side. *With something significant on the other side*. Perhaps there's no way of really knowing if the effects of a UBI would be enough to dismantle capitalism, but is there a way to increase its chances? What if the way we framed the conversation around UBI could actually be significant in determining its long-term effects?

[Skype call]

Martin: Hey Della, how're you doing?

Della: I'm doing well, thank you. How are you?

Martin: Not at all bad.

Della: Maybe first could you introduce yourself to our listeners?

Martin: I'm Martin Kirk, I'm the Co-founder and Director of Strategy at The Rules.

Della: And what exactly is The Rules?

Martin: The Rules is a — we refer to ourselves as a collective of different types of people around the world, we've got artists, and writers, and thinkers, and designers, and coders, hackers. So we're basically a collective of people who are bound together by a mission to challenge the root causes of inequality and poverty and climate change. And when we talk about the root causes what we're talking about is the cognitive root causes, really, the belief structures. So if we want to change the surface politics we have to get into the belief structures underneath.

Della: And so The Rules has recently launched a campaign to reframe UBI in a way that would better enable it to lead to system change. So, as of now,, you don't see UBI as a path towards system change?

Martin: No, by itself it's not. Because it doesn't challenge any of the fundamentals of capitalism. It doesn't challenge the growth imperative, it doesn't challenge the concept of private property, it doesn't redistribute power in any way, it adheres strictly to the principle of capital generation as the prime directive of the system, it doesn't question value at all. So for all those reasons, on its own it's not inherently post-capitalist. It has the potential to move us towards post-capitalism, but in order to do that it has to not operate in the welfare frame, it has to not be seen as a form of charity, it has to question concepts of power, it has to question work, it has to get into the

fundamentals of the system. We have to somehow cohere around the idea that we're talking about system change. We're not talking about change to bits of the system, but we're talking about system change. We have to be talking about system change. Are you promoting a logic that is genuinely transformational at the level of the system, or are you promoting a policy idea that will soften it — soften the existing system slightly. We think time has passed where you can do the latter, now we've gotta be focusing on the system.

Della: Tell us about the problem you see with putting UBI in the welfare frame and what would be a better way to talk about it?

Martin: There's actually some really interesting parallels between the UBI as a concept and development, actually, as a concept, and poverty alleviation. When I was at Oxfam and we did a lot of work looking at the overall development narrative — how the world talks about global poverty and development — what we found was it's a conversation mired in the charity frame. Which essentially says the way to solve problems is for, to give a little bit of money from rich people to poor people. But we found that charity is a very, very small concept in many respects because it is about purely transfers of wealth. It very rarely allows space for conversations around the systems. And that means that there's actually — there's a very, very powerful tension between the idea of justice and the idea of charity. And that same tension exists in the UBI conversation, although what we'd say there is the potential is created by the predominance of the welfare frame, which is very much related to charity. It's, how do you take care of the poorest people in society? How do you make sure they have just enough to survive? Just enough — because obviously the protestant work ethic kicks in at that point and you say, 'people must work for their living, and, you know, benefits can never be, charity can never be a preferable option to working. So, but this is predominantly a framing challenge, this is not a challenge actually of the basic idea of providing everybody with the wherewithal to live a healthy life — cause that's what UBI is really, the wherewithal to live a healthy life.

So, we think that UBI should be a conversation about freedom, about liberation — it should not be a conversation about charity, and they're two very, very different things. So we know that tension exists right now, and as long as people talk about it in the welfare frame you're going to reduce the idea to its most mechanical, lowest point almost. If you can stimulate — if you can get it talked about in the freedom frame, all the energy in the frame pushes it bigger, and pushes it upwards. So that's the tension we have to figure out, and we don't know how to figure it out yet because you're talking here about very deep logics that exist in our societies these [inaudible] they're very, very difficult things to get over. And so, we have to engage at this level of the frames and the language if we want to really engage at the root causes of the issues that we care about.

Della: And so how is The Rules involved in the debate around UBI?

Martin: So this year we're engaging people in the story, trying to get new audiences into it. And also to try to provide a space where lot's of those different audiences that are already talking about it can come together more, because it's a very fractured, siloed conversation right now — it's less than the sum of its parts, and what we want to do is help make it more than the sum of its parts. We're actually releasing a prototype of a UBI delivery mechanism in early 2018 to give people that real, visceral, practical feel and experience of engaging with a universal basic income. And we're building on a particular model that uses a cryptocurrency model, which is how you get to the radical conversations, is through a cryptocurrency model rather than a government-issued money model.

Della: Crypto-currencies are decentralized digital currencies that bypass central banks and central government. The best known form of crypto-currency is Bitcoin, which relies on blockchain technology to function. A discussion of crypto-currencies could easily fill up an entire episode on its own, but the main idea that we want to emphasize here is that they allow for monetary transactions to occur with complete transparency — each transaction becoming a permanent link in a chain of transactions that cannot be altered and that every computer in the world can view.



This process happens without ever passing through a centralized system — it's all completely peer-to-peer. Although Bitcoin is the best known, there are actually a number of different models. Here's Martin.

Martin: We're particularly looking at one model, it's called Circles and it's currently being tested in Berlin. And Circles is essentially a community-trust agreement based model. So, the value of the currency is created between people, so it's a horizontal creation of value rather than the vertical creation of value. And so what that means is I give you my money, and you accept it because we agree its value, between us. That's where the value is originated — in agreements between people, not because governments control the supply of it, and therefore give it value. So that's one really radical thing about it and what that means is that you are bypassing, you are inferring a whole new financial system, one that is not so centrally controlled, that is much more horizontal. And that gets you into whole concepts of questions — like we talked about earlier — about power, and the role of the financial system in society.

Della: So The Rules is not only working to reframe the conversation around UBI in the hopes of transforming it into a *larger* social movement, but they're also experimenting with how to *design* a UBI that would, *by itself*, directly challenge capitalism. A cryptocurrency-based UBI *would* be interesting because it would open up a lot of opportunities while bypassing some of the funding constraints of traditional UBI proposals. Yet, at the same time, it also raises a whole host of challenges. Bitcoin, for example, has become extremely concentrated, with a very small number of people owning most of the currency. It's also quite unstable. And because of the incredibly complex nature of blockchain technology, it takes an immense amount of computing power, and thus *money*, to generate those currencies. *Who* is in control of this invisible infrastructure? *Who* owns the servers?

These are all issues that would have to be addressed if a crypto-currency model of UBI were to be successful. Needless to say though, it's a fascinating idea.

[Music break - Pele]

Rutger: One idea might be to just stop talking about basic income but use a different word.

Della: This is journalist and author Rutger Bregman, who we heard from in our last episode.

Rutger: Income is associated with working, right? And we have — most people — still have a very narrow definition of work. And it might be hard to change that. Now, if you were to use a word like social dividend, or I don't know social grant, or dividend of progress, or whatever, then most people would understand that this doesn't have to do anything with working. That's very important, you know, the way perceive the money. They should really perceive it as a right — not as a favor — it's their right, you know?. Just like the freedom is a right, freedom of association is a right, and maybe a very promising way to do that is to do with with a carbon tax. What's actually interesting here is that there's a conservative proposal right now for a cap and dividend plan. So the idea would be to introduce a carbon tax and to give the money to the people — I think that could be a very promising way forwards. And it's also a way to get around the pretty difficult, strategical or political issue of how people will perceive this money. And maybe income isn't the right word, maybe we should use the word dividend — social dividend.

Della: There *is* actually a social dividend program of this sort already right here in the United States.

Rutger: Alaska is the only place in the world that has a small universal basic income. It's one of the reasons why Alaska has the lowest inequality of all the states in the U.S.. And — now the most interesting thing to me is that if you as a politician propose, 'let's get rid of this basic

income,' you're finished, because it's hugely popular, and people do not perceive it as, I don't know, something for nothing, or whatever, it's just a right. They don't see it as — that they're all freeloaders or something like that. And that's very, very important. So yeah, it's a great example of how we could talk about this.

Matt: The Alaska Permanent Fund is just a big pile of assets that Alaska owns.

Della: Here's Matt Bruenig again.

Matt: And they invest it in all sorts of ways, in stocks and bonds, and you know, the normal sort of thing. And every year that fund has a return and they just take the amount of money that they get in the return, and they divide by the number of Alaskan citizens, and then they pay it out. And some years I think it's been as high as \$4,000. So, for a family of four, that would be \$16,000 of just free money from the state of Alaska coming in. There's no taxing required or anything like that. The way that they built up that fund is the state of Alaska owned a lot of public land that oil was discovered under. And so they charged oil royalties to companies that wanted to drill the oil. And they took those royalties and put it in the fund. So, they didn't build up the fund through a wealth tax, exactly, but once they got the fund, however they got it built up, it ran just like I would want to run a national basic income program.

Della: Matt recently wrote an article called "The UBI already exists for the 1%" in which he laid out an innovative proposal for how to fund a national basic income program. Before we get into his proposal, we need to understand a bit about the different types of income that exist in our economy.

Matt: So, in a capitalist society, there are, roughly speaking, two kinds of income. There is income paid out to workers for their labor, and there's income paid out to capitalists for the investments that they own. So if you have money in a mutual fund, or if you're a bank and you loan money, you can get interests, and dividends, and rents, and that kind of stuff. So, the income that flows out to capitalists, we call that capital income, and the income that flows out to workers, we call that labor income. And, what you see in the United States, and in other developed capitalist as well is that people at the very top of the economic ladder own a lot of capital assets — they own a lot of equity, and bonds, and they just — on a given year receive a lot of capital income. The top one percent of income earners in a given year, they receive around ten percent of all the income in the country from their capital income. So, one in ten dollars of income produced in the U.S. — in the U.S. economy — goes out to the one percent without them having to work for it. And my piece tries to sort of say, 'capital income is in a way, very similar to a basic income, because if you have a whole bunch of money invested, and every quarter you get some big checks — dividends, and interests, and rent — that's really not any different from UBI in the sense that you get this flow of money that comes to and you don't have to work for it'.

Della: So Matt's proposal is actually quite similar to the Alaska Permanent Fund, except instead of being seeded by royalties paid by the fossil fuel industry, it would be seeded by the unearned income, or capital gains, of the richest in society — creating sort of a capital income for all.

Matt: Not only do we have income that's paid out to people without them having to work for it, which we call capital income, but we could also just, you know, socialize capital income to an extent. So the way capital income works is rich people own a lot of stuff and then they get returns on the stuff that they own. But the government's also capable of owning a lot of stuff, and so maybe it makes sense, if we're gonna take the analogy further, to say that, let's just have the government build up a huge capital fund that it controls and owns — without planning anything, we're not talking about central planning or anything like that — just owning a bunch of stocks and bonds and other return generating assets — just build up a big fund. And then every year you look at, how much did we make, you know, collectively, and you take that number, you divide it by the number of people who you're going to pay out the basic income to, and you send it out to them. That's my, I think, ideal way of funding it as opposed to, you know, taxing workers, or

increasing sales taxes, or things like that. Just take the money that's already being paid out passively to people in society without them having to work for it, and pay it out to everyone.

Della: And just to clarify — how exactly would the government acquire the original capital for the capital gains fund again?

Matt: that would — yeah, basically you would, overtime you would move the wealth that the one percent, or even the top five percent or top ten percent — you would move the wealth that they currently hold privately, you would move it into public hands through things like wealth taxes, and mandatory share issuances, which basically just means that you go to big public companies and you say, 'every year, you need to print, you know, shares equal to five percent of the value of your company and hand it over to the government. There are a number of little strategies to slowly move the wealth out of private into public hands very gradually. And you would probably never move all of it over, you may only move twenty, thirty, forty percent over. And as the wealth gets moved into public hands that wealth will not get spent, it won't get sent to anyone, it'll just be held in a fund, and then the return on that wealth, that you get each year — the dividends, and interest, and rent — that stuff would then go out to everyone as a basic income.

Della: Even though we'd still be operating within the current financial system, and still dependent on economic growth, Matt's basic income funding proposal is compelling because it would begin to socialize much of the wealth held by the capitalist class, putting it firmly into public ownership. And if basic income's going to have the potential to move us away from capitalism, it will have to tackle the *structural* flaws within this system — either through its design, or through the larger movements that accompany it.

Manda: We have to sort out ownership of the means of production. This is going back to Marx, but is still I think really, really relevant.

Della: This is novelist, columnist, and broadcaster Manda Scott.

Manda: At the moment, ownership of the means of production rests in the hands of a very tiny few, and those few are getting fewer. We have to, somehow, bring things back into public ownership and to generalize public ownership. We have to make we have make the code, open code, we have to create kind of open source everything, so that the potential for the accumulation of capital no longer exists. I think that's really, really important along with UBI. I would say, on a very utilitarian level, we have to absolutely accept that certain things are the duty of the state of provide. So, housing, health, and education are absolutely the duty of the state to be provided free to everybody. And so we need to start looking at, what is it that a government is for? A government is not there to promote the accumulation of capital in the hands of a very few. It's there to promote the flourishing and wellbeing of everybody.

But we're also going to have to build towards communities that understand how to be self-sustaining and that understand how to work in solidarity with other communities. I think we have to move very much towards a solidarity economy rather than a capitalist economy. And by solidarity economy I mean one where profit is not the primary motive, where sustainability — the whole concept of economy for the common good begins to come to the fore and we assess business — if business is going to keep going — on the basis of its inputs to the culture and to the society its embedded in, as much as its ability to make profit for its shareholders. Shareholder ownership has to go. I don't know how we'd do that in a safe way, because what we don't really want is to take capitalism and crash it. That's not a good thing — we need to be able to design a soft landing in capitalism and the rise of the solidarity economy so that the two cross over in a place where everybody is still functioning, or we've failed really, in our attempt to create a better world.

Della: So, what do you think? Could universal basic income be a bridge from capitalism to a new system? What are the movements and policies that would complement a UBI to really help us in

this... *transition*, this *great turning* from *life-destructive* to *life-sustaining*? What do we want that world to look like? What do we want it to feel like? And what is your role or contribution to this journey?

[*Music interlude - June Mud*]

Rutger: When it comes to economics, you really need to start with the big questions. So economics is, in my opinion, about the meaning of life — or it *should* be about the meaning of life. So it's about big questions: What is work? What is value? What is productivity? Et cetera, et cetera. And neoliberal, or neoclassical economics, have definitions of that, they just hide those definitions. So, a mainstream economist, when you ask him the question, 'what is productivity?' He or she would say, 'well, productivity is the amount of money you earn, or how much you contribute towards GDP.' Well, that's a ludicrous definition of productivity. I mean, a flash trader at Wall Street would be really productive, and a garbage collector would not be productive at all. Now, what I try to do in my work is go back to basics and ask a very simple question, for example, 'what happens if you go on strike?' Well, if a garbage collector goes on strike — complete disaster. If a flash trader on Wall Street goes on strike — no problem at all, that's great. I wish they would all go on strike [laughs]. I mean, there's — I found one example of all bankers going on strike, that was Ireland, 1970, and the strike lasted for six months and nothing much happened, you know, the economy just kept growing. So, I think that's really the task we have, especially after the financial crash, or especially after 2016. We really need to go back to the big questions, you know, what are we actually doing here? What is meaning, what is value? It's completely ludicrous that we still use words like productivity, or, 'you need to earn a living,' or whatever, you know, it doesn't make sense.

Manda: What is humanity for? Just at the moment if you were to look out in the world out there, what humanity seems to be for is to spend our lives doing jobs that we don't particularly want to do, in order to pay off debts that we didn't really need to rack up. And I don't think that's what humanity is for at all. In our rush to look at capitalism, or how to change business, or how to be sustainable, we haven't stopped back and asked ourselves, as a species, as a culture, as a nation, as a tribe, as a family, as an individual, 'What are we here for? What do I actually want to do? If I didn't have to earn a living, what would I chose to do?' And UBI gives us a step on the way to that, and I think, like the other changes that we're seeing, it's a step that will snowball very fast because if you give people a taste of freedom, they're going to get to like it.

Kathi: On the one hand, it's clearly a reformist proposition, not a revolutionary one. So that, I think if we did institute a guaranteed basic income, it would not spell the end of capitalism. So I don't think of it in and of itself as a revolutionary proposition. But I do think of it as opening up a path. I think the conversation that generated it would be very interesting. I think people would be provided with an opportunity to engage in some really serious critical thinking about the economy and what's working and what isn't. I really think of it as expanding our intellectual horizons in some ways and our imagination of what's possible. So I think in that way it really does provide a path to our attempts to build a better future.

Juliana: What I've seen, from my personal experience, is that most people, when they are introduced to the policy for the first time, they think it's a crazy idea.

Della: Here's Juliana Bidadanure, a professor at Stanford University who is teaching a course on Universal Basic Income — who we heard from here in our last episode.

Juliana: But then, it's not the kind of idea that you can forget about, you can unlearn. The minute you've been introduced to it, it's gonna be with you forever. And I think, you sometimes feel like people haven't been convinced at all, and they are really skeptical, and they think it's a crazy idea. And then you meet them a couple of years later, and they have a different perspective on basic income. Simply because it's the kind of idea that forces you to think completely differently about what society would look like, what people actually decide to do. Then you start thinking about crime and the impact that it might have on crime, when people don't actually have to steal

to feed themselves; and then you start thinking about health, and mental health, and what, you know, would happen if people are less stressed and less anxious; and then you think about innovation and creativity, and you think about all of those things that didn't occur to you the first time you were introduced to the policy. And I think that that little path that everyone does with the idea of basic income is what's really interesting about it.

[*Street interviews*]

Joseph: My name is Joseph.

Della: Joseph, good to meet you, Della.

Joseph: Nice to meet you.

Robert: Robert.

Joseph: Nice, to meet you Robert, Della.

Della: I have a question for you.

Joseph: Please.

Della: If you were given \$1,500 a month, from next month, till the rest of your life, how would your life change, how would it be different?

Joseph: Life will change tremendously. And especially, I'm out from operation, open heart, three-bypasses surgery. I have no income. Life will change tremendously. Definitely, definitely so.

Della: Thank you.

Joseph: Sure. My pleasure. You have to educate people. This kind of question...folks here, they have to be more open, more aware. Any system you put in charge, is not for the system. Is the system working or not for us? We are not for the system. We don't live for the system. The system is for us, to serve us. God bless you.

[*Outro Music*]

Della: Thank you to all of our guests and to American Football, J. T. Harechmak, and Pele for the music that you heard in our episode today, and to Ben Henderson for designing the artwork for this episode. Thank you also to the Economic Security Project for helping to make this episode happen.

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