**Basic income a stabilising driver?**

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**Abstract**

Information technology and globalisation have been major drivers for profound changes surrounding us, that can be epitomised through the title of Jeremy Rifkin’s book The Zero Marginal Cost Society, The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism (2014). This is a paradigm shift – big time – full of both threats and potentials. So the question is: How shall we go about these changes?

The question I want to explore in this paper is what role basic income could play in strengthening positive traits and counterbalancing dangerous ones in present developments. Could basic income steer development toward more just societies?

In a paradigm shift the intellectual categories that we have used to understand what surround us are no longer appropriate. A collective effort is therefore required to grasp the new reality. Here guidance from Aristotle for my quest for cooperation on this score: “Investigation of reality is in a way difficult, in a way easy. An indication of this is that no one can attain it in a wholly satisfactory way, and that no one misses it completely: each of us say something about nature, and although as individual we advance the subject little if at all, from all of us taken together something sizable results – and as the proverb has it, who can miss a barn-door.” (Cited in Barnes, 1985, p. 17). Here is my take on challenges and opportunities and the role a basic income could play.

**Where we stand today**

I will here draw on some scholars who have captured the bigger picture by mapping out present day changes and pointing to the challenges they pose as well as the opportunities they offer. They are Manuel Castells, Jeremy Rifkin, Guy Standing and Richard Florida.

There is an urgent need for a new approach to understanding the kind of economy, culture and society in which we live, Manuel Castells says in the preface to the 2010 edition of The Rise of the Network Society (1996). Crises have been piling up in the first decade of the 21st century, he notes listing financial crisis, upheaval in business and labour markets and a growing global criminal economy. Large parts of the population are socially and culturally excluded from global networks that accumulate knowledge, wealth, and power. There is religious fundamentalism and violence of different kinds. Yet another set of problems is the environmental crisis and the incapacity of political institutions based on the nation-state to handle global problems and local demands. “[T]hese are all expressions of a process of multidimensional, structural change that takes place in the midst of agony and uncertainty. These are indeed troubled times”, Castells notes (Preface 2010a).

Jeremy Rifkin foresees a struggle between the economy as we know it, and the collaborative commons that is now emerging. He predicts that the struggle between these competing paradigms is going to be protracted and hard fought. The capitalist system has peaked and begun its slow decline. In stead we have the collaborative commons that brings us ever closer to a near zero marginal cost society. “The once unchallenged prowess of capitalism is diminishing, making way for an entirely new way of organizing economic life in an age characterized by abundance rather than scarcity.”, Rifkin notes. “A new economic model is emerging in the twilight of the capitalist era that is better suited to organize a society in which more and more goods and services are nearly free.” (2014, p. 9).

Guy Standing, whose focus lies on working life and the emergence of the precariat, notes: “Across the world, there is an energy building around the precariat. It is organizing, and struggling to define a new forward march.” (Standing 2011, p. 6). And he warns, “There is a danger that, unless the precariat is understood, its emergence could lead society towards a politics of inferno. This is not a prediction. It is a disturbing possibility.” (2011, p. 9).

Among these scholars Richard Florida is the one with the least complicated message. As an urban theorist he has mapped out the greatly expanding creative sector and its relation to urban economic development. The focus in his research is on the central players in this process that he singles out as new class, the creative class. The creative class should therefore also be added to the collaborative commons as major driving forces during the past decades. But Florida also warns of the social divide that is caused by the decline in industry. We have a fundamental task ahead of us to overcome the class-divide that weakens the social fabric and threatens economic well-being. Florida’s message is that new forms of social cohesion needs to be constructed in a world defined by increasing diversity and beset by growing fragmentation (Florida, 2002, p. 318).

An interesting aspect that these scholars bring forth is that we all partake in this new setting. Castells notes that this is not a purely academic debate. Cooperation is needed to jointly steer an increasingly dangerous world. We need to realize the diversity and complexity of our world, the contradictory dynamics between global markets and local identities, and the tension between a common technological paradigm and divers institutional uses of technology (Identity preface 2010b).

Working life is the sector of society in which ordinary women and men most directly feel the effects of these changes. In his book The End of Work Jeremy Rifkin drew, in 1995, our attention to how new technology would do away with jobs, and that this will pose enormous challenges both for society at large and us as individuals. Rifkin saw as the single most pressing issue the need to redefine the role of the individual in a near workerless society. “The wholesale substitution of machines for workers is going to force every nation to rethink the role of human beings in the social process. Redefining opportunities and responsibilities for millions of people in a society absent of mass formal employment is likely to be the single most pressing social issue of the coming century.” (1995, xv).

In addition to the effects of technology, we also have the effects of flexibilisation of working life and globalisation. Guy Standing paints a chilling picture of the effects of changes in working life in three books, Work after Globalisation (2009), The Precariat: The New Dangerous Class (2011) and A Precariat Charter, From denizens to citizens (2014). In working life, people are bit by bit are stripped of both income and rights. People have been reduced from citizens to denizens, which means that they have lost cultural, civil, social and political rights that have been built up over generations (2011, p. 6). This makes the precariat a dangerous class, Standing notes. “A group that sees no future of security and identity will feel fear and frustration that could lead to it lashing out at identifiable or imagined causes of its lot. … Tensions within the precariat are setting people against each other, preventing them from recognising that the social and economic structure is producing their common set of vulnerabilities.” (2011, p. 40).

**It is confusing, it is dangerous but there are great potentials**

Rifkin’s message in 1995 was a need to redefine opportunities and responsibilities for millions of people in a society absent of mass formal employment (1995, xv). In 2014 he is able to report stunning developments of the Collaborative Commons and the Internet of Things that hold great potentials as a substitution for conventional work and the economy as we know it. This will, however, be a great challenge for the prevailing power structures. They will have to let go of the steering and controlling power they now exercise and allow the self-organising processes now in motion to develop and mature.

An interesting aspect of the Internet of Things is that it is boosting productivity to the point where the marginal cost of producing many goods and services is close to zero, making them practically free. In economic theory terms this means that scarcity is giving way to an economy of abundance. Corporate profits are beginning to dry up and property rights are weakening (2014, p. 11). The challenging question is how the waning capitalism is to be accommodated with the collaborative commons?

In practice, the collaborative commons stand for a participatory system where people become prosumers. Rifkin foresees that “Within the next two to three decades, prosumers in vast continental and global networks will be producing and sharing green energy as well as physical goods and services, and learning in online virtual classrooms at near zero marginal cost, bringing the economy into an era of nearly free goods and services.” (2014, p. 4). Rifkin has hit the nerve of this development in his observation that “we find ourselves in uncharted territory and are on a steep learning curve to figure out how to best build out the new smart society.” (2014, p. 15).

**The challenge: to find a *modus vivendi***

We need to find a way to accommodate the old and new economic cultures. As Standing’s accounts so well show, we are far from such an accommodation at present. Economic players, employers as well as public organisations, from bodies such as the EU to local authorities, need to find a *modus vivendi* to make current transitions as smooth and constructive as possible. The workfare policy that is increasingly pursued by the EU and national authorities is blatantly at odds with the internal logic of present developments.

The new *modus vivendi* that we need could be so easily achieved if we changed our perception of work. Standing has made an important distinction between labour and work that makes it easier to see the phenomena facing us. With close to zero marginal cost at which we can produce many things, we are almost in a position where we could adapt the ancient Greek perception of work, instead of our view of work as employment. “Every age has had it stupidities about what is work and what is not. The twentieth century was the most stupid of all.”, Standing notes and his advice is that “we should return to the insights of the ancient Greeks, who had a better conceptualisation of work.” Work was what the citizen and his family did around the home; it was reproductive activity, it involved building civic friendship, *philia* and also play that was central for recuperation and a balance of life. Here we do of course have to recognise that women did not have civil rights and that labour was performed by slaves, *banausoi* and *metics* (2011, p. 144, 2014, p. 11). Labour, as we know it today, was not done by citizens. Ironically enough, it is mainly this kind of labour opportunities that we now put so much effort into creating, while a lot of obstacles are placed on activities that correspond to work in the ancient Greek sense, focussed on people’s wellbeing. Creative work and work in civil society are often misperceived and also easily hindered because of our labour-focussed perception of work. At the same time, it is in these sectors that the new economy is growing, with affinities to the ancient Greek perception of work.

Parallel with the decline in industrial production in developed economies there has been an explosive growth in creative work, making this sector one of the fastest growing sectors of the economy. However, much of the value created through artistic work is done outside the narrow perception of labour, which in practice means employment. An effect of this is that artists are often not properly compensated for their work. Work in civil society, again, is often undervalued and can even be obstructed because of the selection and control that is associated with funding civic activities. This is ironic considering the nature of work in civil society that Rifkin fittingly characterises in the following way: It is “the realm in which fiduciary arrangements give way to community bonds, and where the giving of one's time to others takes the place of artificially imposed market relationships based on selling oneself and one's services to others.” (Rifkin 1995, p. 239). Now that the market and government spheres are diminishing in importance Rifkin urges us to seriously explore the possibility of resurrecting and transforming civil society and making it a vehicle for the creation of a vibrant post-market era (1995, p. 240).

One of the most pressing questions we face is how to accommodate the collaborative commons and capitalism in order to avoid a further decline in people’s conditions in working life and outside of it? As long as business runs as usual there will be continued precarisation. As saturated markets are a major problem, slimming the organisations will be a way to meet out profit, with increasing precarisation as a consequence. How long can this development continue – and at what cost?

A growing preciariat will mean that an increasing number of people are compelled to rely on social support of some kind. This will place them in a situation of dependency, which in reality changes a person’s status from citizen to denizen, as pictured by Standing. This is a double penalisation; first people become victims of employers search for profit, and then they will be deprived civil rights when they seek compensation in the form of social security.

In civil society there is another threat to democratic standards that is at odds with the *raison d’être* of civil society. This is the selection and control associated with the project economy on which many organisations have to rely in order to be able to carry out their functions. This authoritarian attitude and control mentality infringes on the autonomy of players in civil society. This is detrimental as civil society is the sector in which people join in self-organising processes, reflecting people’s interests, needs and care for others. This reflexivity is a fairly good indicator that the activities meet their goals. It is from here that a new rationality should emerge.

**How basic income could steer the development**

The secured income that a basic income would provide would offer people the personal autonomy that is required for human rights, particularly economic, social and cultural rights to materialise (Storlund, Vivan, To each one’s due at the borderline of work, 2002). It also implies power for people to say no, which is a vital precondition for freedom as elaborated by Karl Widerquist (Property and the Power to Say No, 2006). Autonomy, in both these senses, is central for the self-organising process through which people can voice and act upon their needs and interests. This is what we need to steer developments in a human direction.

The Internet and globalisation have generated unprecedented opportunities for people to join forces around a joint cause. Now people’s voices are heard from blood-stained squares in the Arab spring and beyond to movements such as EuroMayDay and Occupy Wall Street. These are some of the social movements that on the one hand react against oppressive rule, and on the other hand against an oppressive economy as well as the failure of governments and the trade union movement to defend people’s rights against economic malpractices.

Manuel Castells has drawn attention to how the role of the individual has changed as part of these profound changes. In the 2010 preface to his book The Construction of Identity he describes people’s new identity as a project identity. (The Construction of Identity 2010b, Kindle version location 473). People build a new identity that redefines their position in society, and by doing so they seek to transform the overall social structure. Castells illustrate these changes with feminism and environmentalism that he sees as representing the most profound changes. He illustrates the decisive step that is required in a change of identity with feminism “when feminism moves out to the trenches of resistance of women’s identity and women’s rights, to challenge patriarchalism, thus the patriarchal family, and thus the entire structure of production, reproduction, sexuality, and personality on which societies have been historically based.” (2010b location 983).

This broader human mobilisation that Castells refers to has been going on for some time. Richard Florida was on to something similar when working on his book The Creative Class (2002). "Though most experts continued to point to technology as the driving force of broad social change, I became convinced that the truly fundamental changes of our time had to do with subtler alterations in the way we live and work - gradually accumulating shifts in our workplaces, leisure activities, communities and everyday lives. ... it became increasingly evident to me that the emerging Creative Economy was a dynamic and turbulent system - exciting and liberating in some ways, divisive and stressful in others.” (2002, pp. x, xi). Florida’s conclusion is that "[a] new social class, in short, has risen to a position of dominance in the last two decades, and this shift has fundamentally transformed our economy and society - and continues to do so.” (2002, p. 82).

**A human-centred economy**

The challenges posed by a close to workerless society is at the same time one of the most promising aspects of present changes. This makes work in civil society pivotal where people and planet are placed before profit, as Rifkin notes, citing John Elkinton, a great authority on corporate responsibility and sustainable development. To Rifkin civil society is the sphere to which we should direct our attention as well as our aspirations. Here activities are performed that the public sector or the formal economy are unwilling or incapable of performing. Civil society often acts as an advocate on behalf of groups and constituencies whose interests are being ignored by the marketplace or compromised in political processes. Notwithstanding, there is a widespread ignorance of the work done in civil society. It has also been underrated despite the fact that the economic turnover of activities in civil society is considerable. Neither have researchers paid much attention to civil society, which adds to the general ignorance. Nonetheless, the non-profit sphere is already the fastest growing employment sector in many advanced economies. A Johns Hopkins study of 42 countries revealed that, contrary to the view of many economists, approximately 50 per cent of the aggregate revenue of the non-profit sector operating on the commons already comes from fees for services, while government support accounts for only 36 per cent of the revenues and private philanthropy for only 14 per cent (Rifkin 2014, p. 268).

With the growth of the collaborative commons civil society has become an even more dynamic sphere. Rifkin points to social entrepreneurship as an emerging category where the profit and non-profit spheres are creating new business arrangements in a commercial space made up of both the market economy and the collaborative commons (Rifkin 2014, p. 264). The commons is of course nothing new, as Rifkin also points out. It predates both the capitalist market and representative government being the oldest form of institutionalised, self-managed activity in the world (2014, p. 472). The contemporary commons encompass the whole gam of life with billions of people engaged in deeply social activities. Rifkin’s list is long. The commons is made up of literally millions of self-managed, mostly democratically run organizations, including charities, religious bodies, arts and cultural groups, foundations, amateur sports clubs, producer and consumer cooperatives, credit unions, health-care organisations, advocacy groups, condominium associations and a near endless list of other formal and informal institutions that generate the social capital of the society (2014. p. 16).

New opportunities have emerged that need to be facilitated through an adaptation of attitudes and structures. One example from the US is Benefit corporations that offer entrepreneurs a form of legal protection against outside investors who might force them to give up their social or environmental commitments in return for new financing. Such corporations are now regulated as legal entities in 18 states in the US (Rifkin 2014, p. 262). New forms of funding, such as crowd funding, is also part of this picture.

A basic income could assist in steering development into a human and social direction. Pilot projects with basic income that have been carried out in Canada, the US, Namibia, India and other places all show that a basic income has an empowering effect on people in vulnerable positions. In a close to workerless society the populist idea – or economic theory? – that people would not work if they got money for free seems fairly meaningless. Instead, if we look at all the cooperation that is going on in the social economy – an under-researched field in economic theory – we see that people do a lot of hard work although they do not get paid for it. But as people need some kind of income to live on, basic income would serve that purpose.

How a basic income should be financed in a zero marginal cost society should be a most inspiring question to explore.

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