

THE CASE FOR AN UNCONDITIONAL *UNLIMITED* INCOME FOR EVERYBODY

(I shall presume that my reader is already familiar with all the arguments for an Unconditional BASIC Income for Everybody. In case he isn't, I encourage him — or her, as the case may be, of course — to read up on the subject. There is an almost inexhaustible wealth of literature available on the subject: just google it.)

In developed countries today only about 2% of the *labour force* — which in effect means less than 1% of the *population* — grows enough food for the remaining 99% of the population. (Actually, for 100% of the population — it's not as if the growers of food don't eat!)

In fact most agricultural experts are agreed that we are *throttling back* our agricultural capacity: if we wanted to, this same less-than-one-percent of the population could grow enough food to feed twice ... three times ... four times ... five times ... maybe even *ten* times the world's present population.

All this has been made possible by advances in technology.

Given the rate at which technology *of every kind* is advancing, virtually all serious futurologists predict that in a relatively near future — most likely within the lifetime of many of my readers — only about 2% of the labour force (which again means less than 1% of the population) will be needed to produce all the *other* goods the remaining 99% use *as well*.

Yahoo! Finance, Feb 10, 2015 — “A study out today by *Boston Consulting Group* claims that we've reached an inflection point for the proliferation of advanced manufacturing robotics. According to the report, U.S. productivity could be boosted between 10-30% in certain industries and costs could fall by more than 18% by 2025 due to an onslaught of new automated technology. This would, however, come at the cost of human labor, with around 40% of that labor being replaced in major manufacturing industries.”

The Epoch Times, Feb 19, 2015: “A 2013 Oxford University study, ‘The Future of Employment,’ examined 700 job types in the U.S. [...] and found nearly half could be computerized within around 20 years. The first wave of automation includes AVs replacing many transportation and logistics jobs. White-collar jobs are no safer, either.

“‘The bulk of office and administrative support workers, and labour in production occupations, are likely to be substituted by computer capital,’ reads the study.”

The question looms large, then: after 35 to 45 years — in just a couple of generations, more or less — how exactly will everybody have enough jobs to enable them to *pay* for all these goods? Clearly there will not be nearly enough *jobs* to enable everyone who *wants* a job to *have* one.

The solution proposed up till now has been to provide *everyone* with an *unconditional* income at a *basic* level, so that they can at least purchase their basic needs and necessities of life if they are unemployed.

(I shall not go into how such proposal will be financed; it has been discussed in innumerable other articles and books, and I presume the reader has read enough of them to have an adequate grasp of the subject; if not, I encourage the reader to do some homework. The point to realize is that in developed countries, at all events, there are quite clearly enough *goods* to make an unconditional basic income possible, and, indeed, enough *production capacity* to make it even *more* than possible. Money — or rather the lack of it — being just a question of how to *measure* the value of the goods in question, doesn't pose any *real* obstacle to the plan. As far as I am myself concerned, anyway, it would be okay to simply *print* the money for an unconditional income. As I explain below, doing so *won't* cause inflation.)

In different countries the level of this basic unconditional income has been fixed at different levels. In the USA, for instance, the majority of such proposals have been for \$(US)1,000 per month per adult; and in most of the EU the proposals have been for a €1,000 a month for all adults. In Switzerland the proposal is quite a bit more ambitious: 2,500CHF per month for adults, and half that much for children.

But in all cases the idea has been that the unconditional income must be *capped* at a certain level. In Switzerland the figure of 2,500CHF has been arrived at by taking half the median monthly Swiss income, which is around 5,000CHF. This is a more ambitious proposal than has been made anywhere else, but it is still *capped* — at *half* the median monthly Swiss income.

In other words, even in Switzerland, *most* people will live far better than those receiving *only* the Swiss Basic Income.

The argument in favour of the unconditional income being *capped* is that if people want to supplement it, they can always get a job and thereby earn more.

But my question is: when in the not-too-distant future — say, by 2055 — 99% of the population will be *unable to find work*, how will *anyone* find a job and thereby earn more? Clearly *most* people won't be *able* to earn more from a job, no matter how hard they try.

Of course those lucky few who have hit upon a product that sells like hot cakes — like a hypothetical *iPhone '55* made in the year 2055 — will make gazillions. A few such people — most likely not many more than a thousand or two — will design such a product, obviously using the latest CAD methods and other such systems, and then have automated machines make the products in virtually unlimited quantities. The products will most likely be bought over the internet and shipped world-wide via drones, right to the customer's door. Retail probably won't exist any more. (Just check out what *AliExpress* is doing today and what *Amazon* is planning to do tomorrow.)

But this sort of thing can be done by only a tiny percentage of the workforce. *Most* people won't have the skills to come up with such a market-dominating product.

So if the unconditional income is capped, will it not divide the world's population very sharply into "Basic Income Receivers" on the one hand — which will be 99% of the world's population — and the gazillionaires on the other: the "One Percent"?

If that happens, *how will the situation be much better than what we have today?*

Note that *no matter how high the cap*, the problem of the world being divided into 99% "proles" and 1% "gazillionaires" will not change. Suppose the cap were set as high as \$5,000 per person per month. That's *five times* what's being proposed in the USA today. But even a person earning five *grand* a month, although he/she certainly would live well, nevertheless wouldn't live like a gazillionaire, with more than one yacht in his (or her) yacht clubs and a private plane on a private airport at each of his (or her) many ranches, and a butler and private valet or maid — or, most likely, even more staff — at his (or her) beck and call.

More to the point, a person with an income of a mere five grand a month will not be able to immediately buy up — or even rent — a factory to produce the latest market-dominating product he or she might have thought up.

A financial system in which most people's incomes are *capped* will therefore afford a *huge* advantage to those whose incomes aren't — an advantage the others can't possibly hope to overcome, except by sheer luck: whether that luck be a result of circumstances or brains.

So what's the alternative?

I personally can't see any other than to give everybody an *uncapped* unconditional income!

Mind you, I don't say it has to *start out* that way. The unconditional income could start off with any fixed amount that is politically acceptable: say, \$(US)1,000 in America or €1,000 in Europe. The only difference from present proposals would be, that if after a reasonable amount of time — say, a month, or a year — this *doesn't* cause any economic or social problems, the amount would be raised by, say, 1% every month, or 10-12% every year. And then another 1% the next month or 10-12% the next year, and so on.

In about 7 years, then, because of compounding, each person's unconditional income will grow to *twice* the initial figure, and in about 21 years — just one generation later — it will grow to *eight times* the original figure. Indeed, in a mere 35 to 45 years, which is to say around the year 2055, give or take five — and that's in only about *two* generations — it could grow to over *30 times* the original figure. That's like *30 grand or so a month*, whether it be dollars, euros or Swiss franks! Grandchildren will be rich beyond their grandparents' wildest dreams. Even after that, the sky will be the limit. An *unlimited* unconditional income.

Provided, of course, that the increase in unconditional income doesn't cause any problems. Like, for instance, inflation due to huge amounts of money being injected into the economy.

But it is my contention that it *won't* cause any inflation. The reason is simple. With the passage of time there will arise an *increase in production which will completely offset any possible increase in the money supply.*

Remember that inflation is only caused by an increase in the money supply *without a corresponding increase in production.* If the supply of goods available for purchase keeps pace with the increase in money supply, there *isn't* any inflation.

And it is my opinion that once people are free to do whatever they want, they will become *more* productive than they are today, not less.

Many studies bear out this opinion. See for example the following websites:

<https://www.saybrook.edu/rethinkingcomplexity/posts/11-14-13/increase-productivity-through-passion-freedom>

<http://www.cnn.com/2011/09/19/business/gargiulo-google-workplace-empowerment/>

<http://www.theglobeandmail.com/report-on-business/careers/leadership-lab/set-your-employees-free/article19936729/>

<http://www.inc.com/shelley-prevost/5-ways-to-create-more-autonomy-at-work.html>

But even better is the possibility that many people who don't find *jobs* will become *entrepreneurs*. Because they will then be able to *afford* to do so.

Entrepreneurship is many *times* more productive than employment. When you have a job you are working to make someone *else* rich; when you are an entrepreneur you are working to make *yourself* rich. Which of the two do you think you'll work at more passionately? How much more productive do you think you'll get when you work for yourself rather than for someone else?

Consider the advances already made in agriculture. Farmers basically work for themselves. Only about two hundred years ago — and throughout history before that — one person engaged in agriculture could grow enough food to feed only three or four other people; today, on the other hand, one America farmer can grow enough food to feed 155 people (at least according to the US Department of Agriculture — check it out). That's an increase of around *40 times*.

And that's just with *present day* methods. With hydroponics and aeroponics, and other methods yet to be discovered or invented in the future, that number itself could be increased *several-fold*. A single person engaged in food production might well be able to feed 1,000 others, or even more, by 2055.

(My own university degree is in agriculture, and knowledgeable people were talking about such things even when I was in studying the subject and passing exams in it, which was almost 40 years ago! So I can personally vouch for such a projection being *entirely* realistic.)

If such a huge advance has been made, and can be made, in food production — which is essentially a *non-mechanical* type of production — it seems to me at least that even *greater* advances could be made in *mechanical* production: because mechanical production is even *more* amenable to automation. The advances we might achieve in mechanical production could possibly make each person a *hundred-fold* more productive in 2055 compared to today. Or even more.

So I would argue that even if the unconditional income rises to *30 grand a month* by the time 2055 rolls around, production of all types of goods could *still* outstrip it. In other words, even if money were simply printed for it, rather than the increase in money supply causing *inflation*, there might be *deflation*, which would need an even *larger* amount of money to be injected into the economy to keep prices steady!

Remember that almost everything that will be produced will be sold, because the *purchasing power* of the people would be going up by about 1% a month, or around 10-12% a year.

The only things that won't be sold are items that people don't *want* to buy, either because it makes no sense to buy them (like a lot more food than one can eat), or because they are crap; and production of such items would be halted as soon as large amounts of them pile up unsold in the warehouses.

But there's no reason to think that people with an income of 30 grand a month will live any more frugally in 2055 than people with an income of 30 grand a month do today.

Let's imagine what might be consequences of such a system.

Remember, all goods that can be *machine-replicated* will become relatively dirt-cheap, because there will essentially be no limit to their supply — or rather, their potential supply. (I say "relatively" because even if a fridge, say, costs a couple of thousand dollars in 2055 — more or less the same price fridges cost today — all the same for a person with an income of 30 grand a month the fridge will *seem* dirt cheap.)

But just because people have a huge amount of money in their wallets doesn't mean they'll be able to buy *anything* they want, because depending on *what* it is that they want to buy, the seller(s) might not want to *sell* it to them.

Because not *everything* will be dirt-cheap, even relatively: only items that can be *machine-replicated* will be so.

For instance, if one wants a plot of land downtown to build a house, it will be as unaffordable for most people as such plots of land are today — because plots of land downtown *can't* be machine-replicated.

Likewise, *individualized service* will be just as scarce as ever, because it *can't* be machine-replicated.

So if A can do something *personally* for B, and B for C, and C for D, and so on all the way to Z and beyond, then a thriving market for such *personalized services* will arise.

In addition, one-off items — like original works of art — will also command a premium. (Of course only if there is a *demand* for them; but for at least *some* such items there most likely *will* be.)

Thus an uncapped unconditional income will put a premium on *creativity* and *service*. The more a person can do for *others*, the "richer" he or she will get.

The question is, how will such exchanges of services be *monetized*. After all, everyone will have a huge amount of *ordinary* money to pay for whatever they want ... *if* sellers accept it in payment for their personalized services.

Quite possibly they won't, because they too have lots of ordinary money in their wallets!

In which case I am of the opinion that a *supplementary* kind of money — a *supplementary* currency — will arise *spontaneously* to pay for such services.

This supplementary currency may well be something like “Ithaca Hours”, where one exchanges an hour of one's own services for an hour of someone else's. This supplementary currency exists in the city of Ithaca, NY. (Google it if you don't know what it is.)

Another supplementary currency is the LETS system. There is a lot of information about it on the internet. Check out for example <http://www.gdrc.org/icm/lets-faq.html>.

Another still is the “Time-banking” system proposed for or in use in many parts of the world. The *Wikipedia* has an whole long article about it entitled “Time-based currency”. Google it.

In such a system, one's “wealth” becomes one's time and skills: which in turn means the *non-replicable* goods one can make because of some special skill one has, or the *personalized services* one can offer to others — all of which can be exchanged for units of the supplementary currency to trade with other members of one's community for similar goods and services.

In other words, one uses the units of supplementary currency one receives to make one's own purchases of individualized goods and services from members of one's community.

Theoretically, the greater the number of members in one's group, the broader the range of personalized goods and services available to one. The system encourages the consumption of non-replicable, individualized, one-off goods (*e.g.*, painting a picture for someone, cooking a great meal for one's neighbours, or giving a musical performance for one's entire community), creates one-on-one employment for local people, and builds community-strengthening ties between its members.

There are many excellent reasons for adopting supplementary currencies — even as things are today. And the reasons, I think, will become more and more excellent with an unlimited unconditional income for everybody, in a not-too-distant future when when most people will *not* be able to get a job.

So, in brief, I think that in the not-too-distant future there will be *two* kinds of money: on the one hand, ordinary money — the kind we have today: dollars or euros or yen or Swiss francs — to pay for machine-replicable goods, and in which currency people will receive their unconditional income; and on the other, a *supplementary* kind of money or currency to pay for personalized services and one-off goods which *can't* be machine-replicated, and with which they will *supplement* their unconditional income.

So then. What do *you* think? Is an unlimited unconditional income for everybody a good idea, or is it a good idea? *I personally think it's both the former and the latter!* In fact I think it's a no-brainer.

Cheers. Email me if you want to discuss this. My email address is *ardeshir [at] mac [dot] com* .