

Basic income and a free activity society.

Thoughts on an alternative society

Ronald Blaschke, Seoul, January 2010

In my speech, I shall set out possible developments for a society confronted with the following problem: the mode of production, which is largely globalised, is currently facing three crises – an economic crisis, mainly a crisis of surplus production, and of globalised finance capital, an energy and environmental crisis and a fundamental crisis of a society in which people's primary form of participation is by means of wage and salary employment. A fundamental answer exists to these three fundamental crises: it is time for humankind to become aware of its primary skill – namely people's capacity for rational thought. Rational thought means considering whether society should produce and consume things at all, what it should produce and consume and how it should produce it and consume it. The following fundamental values can serve as guidance: the plurality of human lifestyles and achievement of sense, individual freedom and free development of skills, together with economic, social and ecological sustainability of production and consumption.

It is against this background that debate on the idea of a basic income and an "activity society" should take place. When I talk about "basic income" in this speech, I mean an "Unconditional Basic Income strong" (UBI strong).¹ When I talk of a "work society", I mean a society in which people primarily participate through wage and salary employment (market-based work); and receive moral and monetary recognition primarily on this basis. When I talk of an "activity society", I mean a society in which moral and monetary recognition, and participation in society, encompass a plurality of forms of pursuits and activities. The German-American philosopher Hannah Arendt (1906-1975), the German-British sociologist Ralf Dahrendorf (1929-2009), the Austrian-French philosopher André Gorz (1923-2007) and the German Marxist-feminist sociologist and philosopher Frigga Haug (born in 1937) were pioneering thinkers about a society of this type. In such a society, pursuits and activities would be defined as wage and salary employment ("market-based work"), private and public forms of solidarity economy work or subsistence, private forms of family work, care giving, child-rearing, and nursing care, civic (public-

political) engagement, leisurely pursuits and education in private and community (but not institutionalised) contexts, as well as in public institutionalised contexts. Yet an activity society can only be described as a "free activity society" if people are able to choose freely and individually how they wish to combine and switch between the various forms of leisurely pursuits and activities during the course of their lives and on an everyday basis; naturally, certain necessities would have to be taken into account and people would have to coordinate with each other in such a society. In a work society, in contrast, the plurality of pursuits and activities is geared in concrete terms and in terms of the goals pursued towards wage and salary employment, and it is this wage and salary employment which primarily determines moral and monetary recognition.

The work society and crises of society

A society which primarily values market-based activities, which supposedly generate added value (wage and salary employment), will, in an era of surplus production capacities, automatically descend into permanent and cyclical surplus-production crises. This is because, in a capitalist society, the prime function of wage and salary employment is to generate added value, i.e. profit, thus fuelling production and consumption. Surplus production is reflected in the artificial extension of market-based spheres of production and consumption and the associated exploitation and waste of energy resources and other natural resources and human skills. This occurs firstly due to the constant development of new products and services and to the increasingly short shelf lives of goods and services. These shorter shelf lives are triggered by fashions and design, as well as a deliberate policy of shortening the technical shelf lives of products and services. Secondly, market-based activities have been expanded into the people-oriented spheres of caregiving, nursing, child-rearing, everyday socialisation and physical well-being. The expansion of market-based production and consumption during times of surplus is dependant firstly on artificial creation of needs. This occurs through socialisation and education, which teaches people to consume and to constantly consume new things, in order to drive market production, which in turn supposedly creates value added. Furthermore, immense financial means and natural resources have to be squandered on the design and marketing of products and services, in order to artificially create and maintain a

readiness to consume them. The second parallel method of maintaining market-based production and consumption involves the creation of artificial shortages in the commodities people need to secure their livelihoods, or the creation of bureaucratic, costly obstacles to people accessing them; this may take the form of privatisation of natural means of subsistence (e.g. land, water, natural remedies) or the denial of monetary transfers needed to secure livelihoods and allow participation in extremely money-based societies.

Surplus production in a world characterised by material excess results in the flight of capital into the speculative financial sector in order to safeguard and generate money without providing any service, since investing in productive plant no longer creates sufficiently high or stable levels of profit. Meanwhile, the poorest members of society are forced to take out loans and incur excessive debt, since the system of power politics denies them the fundamental natural means of subsistence and the monetary means needed to secure livelihoods and allow participation in society. These two phenomena (speculation and excessive debt) led to the recent financial crisis, which succeeded in ridding the markets of pointless products in some cases and for a limited period of time. In addition to growing mass unemployment, or residual unemployment², we are seeing a rapid peak in unemployment – depending on the national structures of the capital and paid-work economy and its integration into transnational or global and finance market processes.

Crisis of the work society and market-orientated methods of crisis management

In view of the catastrophic impacts to be expected in the sphere of wage and salary employment, two new instruments were applied in Germany to stabilise the work society, which, stripped of their market-orientation, could herald a new basic-income society: Firstly, owners of cars of at least nine years old were paid a "scrappage premium" when they bought a new car – a payment which was made without any work being performed in return and without means testing. The goal was to save the car industry from massive economic bankruptcy. After all, neither people nor the environment can cope with the number of cars able to be produced. Secondly, companies experiencing a drop in orders due to the crisis and thus introducing short-time working for their workers may apply to the labour office for a special grant

provided due to the difficult economic situation. The labour office pays employees compensation amounting to 67 per cent (for those with children) or 60 per cent (for those without children) of their net loss in wages. Likewise, this is a financial payment made without any work being performed in exchange and without means testing. Those employees receiving such support are not included in unemployment statistics. This method of securing people's livelihoods (and tweaking the statistics) was used on a large scale in eastern Germany after the fall of the Wall. The firms in the former German Democratic Republic, which no longer had any orders due to increased production and competition from West Germany, ordered "zero short-time working" for their employees. The resulting hundred per cent shortfall in wages was also compensated in this way by the labour office – without the employees carrying out any work in exchange and without means testing.

These are two examples (scrappage premium, short-time working grant) of the provision of basic-income-style transfers for certain groups of people during times of crisis – though in this case the aim was not to establish a free activity society, but rather to stabilise a work society in crisis. Nevertheless, these examples herald a basic-income system in a society able to meet people's fundamental needs with ever decreasing amounts of human labour.

The free activity society with a basic income as a society of culture

The social philosopher André Gorz referred in his arguments supporting a "UBI strong" to the "Paradise paradox" concept developed by the Russian-American economist and Nobel Prize-winner Wassily Leontief (1905-1999): let us imagine a society in which, due to large-scale automation, the production of the goods and services needed requires ever decreasing amounts of human labour. Despite the existence of surpluses, people are unable to use these goods and services, however; indeed in some instances they are starving. They are not receiving any income, due to the traditional link between work and income. After all, they are rarely or never involved in paid employment anymore. Eighty years ago, French distributionists were already calling, against this background, for "consumption payments" – in other words, for a basic income to secure individual livelihoods and participation in society independent of work performed or to be performed in the future.³ This de-

commodified form of redistribution of resources by means of "consumption payments" was presented in the framework of a comprehensive discussion project on the plural economy in the French journal *transversales*, alongside three other types of payment.⁴ Naturally, this type of distribution relies on the democratic organisation of both production, which has been rationalised through automatisisation, and distribution itself. This brings us to the topic of the organisation of a society which decides democratically on whether society should produce and consume things at all, what it should produce and consume and on how it should produce and consume; in other words, a society which takes control of material and non-material production, instead of limping from crisis to crisis, driven by market-dominated production and its control – ultimately throwing the whole ecosystem into crisis and triggering civil-war-like situations, as well as causing migration flows as people struggle to secure livelihoods and battle over the last remaining natural resources.

Basic income (UBI strong), as a monetary instrument to secure livelihoods and participation in society, can mean more than just "consumption payments". It can enable people to decide freely on how to combine various private and public pursuits and activities throughout their lifetimes and on an everyday basis. Combined with a radical democratisation of industry and society, with the extension of free access to public goods such as knowledge and education, and to natural and technical goods to build economies largely founded on solidarity-based subsistence, as well as to public infrastructure (independently run cultural centres, workshops, ateliers), this could be the first step towards a free activity society – or, to use André Gorz's terminology, towards a society of culture. This is a society in which there is always space and time for people to freely develop their cultural, social and political, productive and creative abilities and life skills. This goal was pursued by the German-American social philosopher Erich Fromm (1900-1980) with his basic income concept. Let us take this opportunity to remember and pay tribute to this, 110 years after Erich Fromm's birth and 30 years after his death.

¹ "UBI strong" is to be seen as distinct from the idea of a Partial Basic Income, cf. Ronald Blaschke: *Grundeinkommen versus Grundsicherung*, Berlin/Dresden, January 2010.

² Unemployment here means the lack of wage or salary employment.

³ Cf. André Gorz: *Arbeit zwischen Misere und Utopie*, Frankfurt/Main 2000: 131.

⁴ Cf. André Gorz: *Wissen, Wert und Kapital. Zur Kritik der Wissensökonomie*, Zürich 2004: 127.