

CAN LESS WORK BE MORE FAIR?

A discussion paper on Universal Basic Income
and shorter working week

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Can less work be more fair? A discussion paper on Universal Basic Income and shorter working week

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Foreword

This paper started life some months ago as an attempt to grapple with important social, political and economic trends in a troubling and difficult climate. It finds itself published in a new era—an era when the need to find new, radical policy options is both more urgent and more obvious.

There are numerous explanations for the success of Donald Trump, as for Brexit and Pauline Hanson. Undeniably, elements of ‘whitelash’ and deep-seated racism, as well as misogyny, have contributed. Equally, it is impossible to ignore simple incompetence and political misjudgements in the Clinton and ‘Remain’ campaigns. Neither can we sweep under the carpet the damaging role of both the mainstream media and social media in perpetuating myths and spreading misinformation at best, and deliberately fomenting hate at worst.

However, there are two powerful social trends underlying all this—growing inequality and growing disconnection. And they feed into and buttress each other.

From Thomas Piketty to Nicola Sturgeon, from the IMF to the Occupy movement, rising inequality has been highlighted as not just a problem in its own right but as a politically destabilising force.

At the same time, the hyper-individualism and disconnection that are at the heart of our political and economic culture undermine and remove support structures for people and communities, at both institutional and grassroots levels.

When people feel (justifiably) let down and left behind by mainstream politics of left and right, it is no surprise that some turn to the extreme right. Tragically, as we all know within ourselves, at times of stress it is easier to lash out against others than to come together. And when those in power, and our social and economic structures, tell us that it is up to us as individuals to face this world, to take responsibility only for ourselves, and shoulder the blame for our own failures, it becomes that much harder again to be welcoming, compassionate and cooperative.



Tim Hollo is Executive Director of the Green Institute. A former Director of Communications for Christine Milne, he has also worked in campaign, communications, policy and governance capacities for Greenpeace, 350.org, the Nature Conservation Council of NSW and others for over 15 years. As a musician, he has performed around the world, from the Sydney Opera House to Carnegie Hall, and, in 2013, he founded Green Music Australia. His writing has been published in

The Guardian, ABC Online, Crikey, The Huffington Post and elsewhere.



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Into this world of increasing inequality, insecurity and alienation comes the prospect of less and less paid work, and increasing precarity of what work there is.

Does this have to be the cause of more fear? Does it have to turn us against each other even more as we fight for the scraps from the tables of the 1%? Or can we turn it into an opportunity to truly improve people's lives?

What if, instead of trying to recreate an old world of abundant paid work, we embraced this phenomenon and built systems, institutions and cultures in which less paid work could lead to greater equity, reinvigorated democracy and civil society, better environmental outcomes, and a more caring, creative, connected community? What if we took it as an opportunity to recognise that reducing the value of human beings to what we can sell our labour for was a mistake, and that we could now redefine our relationships with each other, with ourselves, with our environment?

These are the questions this collated paper seeks to address over the following 10 chapters contributed by an array of tremendously respected authors. The Green Institute is deeply grateful to all of them for their contributions.

In the first chapter, Chris Twomey, Policy Director of WACOSS, and I pose the question—why work less? We look at the major drivers for the upsurge in interest in shorter working hours and a Universal Basic Income (UBI): rising

inequality; rapid and rampant automation; the search for a better quality of life; and the need to protect the environment. And we explore the key frames around work and welfare which have to shift as part of any debate around UBI—frames such as the primacy of paid work over any other form of human endeavour, and a punitive approach to welfare. We argue for replacing these with greater universalism, recognition of the value of working less and doing more with our time, and encouraging and enabling meaningful work.

In the following two chapters, Elise Klein of the University of Melbourne, and Godfrey Moase of the National Union of Workers, set out the histories of Universal Basic Income and shorter working weeks. Klein explores the philosophical grounding of a UBI, explores non-Western parallels, and takes us through historical and recent examples. Moase evocatively sets the scene of battles for shorter working hours, taking us to the world's first eight-hour day victory, by Melbourne stonemasons in 1856. Discussing the disconnect between hard work and wealth, he sets out current issues and trials, challenging us to see working less as a critical path towards a greener and more equal world.

Ben Spies-Butcher, from Macquarie University, contributes a vitally important framing paper: Not Just a Basic Income. He explains in detail how a UBI as proposed by the libertarian right, which replaces or buys out all other social policy, is a very different beast from one which complements such policy. He goes on to set out the evidence that inequality has been driven by the weakening and privatisation of public services and social policy and that providing cash cannot replace them. While he argues that working for more affordable housing and better provision of universal health and education may in some cases be more important than campaigning for a UBI, he nevertheless sees UBI as one part of a broader drive for social change.

One of Australia's most esteemed left wing economists, Frank Stilwell, then takes us through the key economic points to consider in a debate on Universal Basic Income. In highly readable lay terms, he sets out the economic conditions, implications and limitations of the policy, leading to the conclusion that we should examine it in greater detail because, as always, that is where the devil will be.

In a fascinating and beautifully crafted chapter, one of Australia's foremost and most forward-thinking unionists, Louise Tarrant, explores the way the ideas of Universal Basic Income and shorter working hours interact with the challenges facing democracy, civil society and community engagement. She takes us through key "pivot points" in post-war Western democracies, placing us at a stage of hollowed out democracy, with "de-politicised" politics and citizens' voices excluded from the major decisions. While deeply ambivalent about the role of Universal Basic Income per se, she highlights the importance of building a new social compact which enables working less instead of being "workless".

Clare Ozich, Executive Director of the Australian Institute of Employment Rights (and co-editor of the Green Agenda), explains how paid work, having historically been the path to economic security, is now too often locking in insecurity, inequality and unfairness. Looking in particular at questions of gender and collective power, she argues for the emancipatory potential of a policy such as Universal Basic Income.

Eva Cox, one of Australia's great public intellectuals who needs no introduction, provides a feminist theorisation of work and welfare. She examines the historic, gender and material inequities which underpin our welfare state and our understandings of work in society, such as the failure to value unpaid work so often provided by women. She argues that liberating ourselves from the need to earn money to pay for basic expenses opens up possibilities to create better societies.

Highly respected expert on Indigenous economies, Jon Altman, of Deakin University, contributes a chapter on an issue he has explored in great depth—the role of Universal Basic Income to support remote Indigenous communities. He takes us through the history, explaining how effective policy was worn down and replaced by successive Coalition and Labor governments. The punitive measures now in place are clearly counterproductive. He argues for the re-establishment of Basic Income support for these communities.

We conclude with a contribution from one of the leading academic advocates for Universal Basic Income, Professor Greg Marston, looking at how working less can be seen to both be driven by and help tackle environmental challenges. Marston takes us through questions of growth, consumerism and materialism, and leisure, explains how inequality and power imbalances can drive environmental impacts, and posits, like our other authors, that the process and debate surrounding UBI can be as important as the policy itself in creating social change.

While we unambiguously support moves to reduce working hours with no reduction in working conditions, the Green Institute remains agnostic on whether Universal Basic Income is an appropriate mechanism. However, we believe a conversation on the idea, in the context of the need to grapple with the inevitability of less and less paid work in an ever more unstable world, is vital to our politics.

A retreat into a nationalist or protectionist politics—the direction taken to a greater or lesser extent by both major parties and many in the commentariat—will not save or regenerate jobs which no longer exist due to automation or economic change. This attitude, at its worst, can lead towards a descent into the ugly far-right politics that we are witnessing around the world, which will help nobody and potentially hurt countless millions even more than the current system hurts them. We must not allow that to happen.

We hope that this paper can contribute in its own small way to an open, honest conversation in our politics, media and society about how to make a future with less paid work a more fair, more connected, more caring future.

Tim Hollo
Editor
Executive Director, The Green Institute

Why work less?

The ideas of shorter working week and Universal Basic Income are far from new. They have been central to campaigns and political philosophies seeking to improve the lot of working people for centuries. But, like so many similar ideas, they have been swept under the carpet during the post-WWII period of widespread (but far from universal) prosperity and the dominance of liberal capitalism.

In recent years, declining prosperity, and growing prominence of the fact that that prosperity has never been universally shared, have contributed to these ideas making a resurgence, first at the very edges of the political debate, and now moving into the mainstream.

A broad range of social, economic and political challenges lead us here. Growing instability, insecurity and inequality, the over-reach of corporate capitalism, and simple factors of social, economic and technological change all contribute. So does the search by many for more radical and systemic solutions to challenges that are only becoming clearer and more urgent—challenges such as systemic racism and sexism, social violence, and environmental crises which pose a very real threat to our ability to survive.

This chapter seeks to identify the key drivers of this reinvigorated conversation about working less, examines the current political frames which need to change, and suggests new frames we need to adopt. At heart, the chapter argues that, regardless of whether a Universal Basic Income is the policy solution adopted, it is critical that we bring this conversation into our politics. The conversation itself can, if we manage it sensitively, shift the frames around work, and help lead towards a fairer society.



Chris Twomey is the Director of Policy for the Western Australian Council of Social Service and Chair of the Green Institute.

Chris leads a small policy team undertaking research and advocacy focused on the needs of disadvantaged and vulnerably Western Australians, and the sustainability and effectiveness of the services that assist them. He represents a community and consumer voice on a number of committees and advisory panels covering issues such as human services reform, housing & homelessness, utility prices and financial hardship.

Chris previously worked as a senior policy advisor to the Australian Greens Parliamentary team, specialising in community services, social justice, Indigenous issues, natural resource management and marine policy. He has a background in natural resource management, science communications, Aboriginal education and educational multi-media production and is commencing a PhD in economics and public policy in 2017.

Tim Hollo is co-author of this piece.

Social and economic drivers

We identify four key social and economic drivers for the reinvigoration of political discussion around working less.

The first is the increase in inequality and insecurity of work, spreading throughout the industrial sector, across the services sector and into the professions. The 'gig economy', zero hour contracts, and the disappearance of whole industries and their related skill-sets is disrupting generations-old patterns of work. These patterns were never fair, but the models replacing them risk being even less fair. The rise of contract and casual work everywhere from cleaning services to academia makes work highly precarious for those who have it and increases the divide between those who are over-worked and those who are under-employed.

A closely linked phenomenon, driving some of this insecurity and the disappearance of jobs, is the arrival of powerful computers and automation. Technology has the capacity to free us from tedious and mundane work and enable us to pursue more meaningful and productive activities. However, it also disrupts and destabilises industries and lives, upping the uncertainty and the pace of life. Perhaps the real challenge is how we strategically and proactively take hold of the opportunities it offers to improve our



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lives, while avoiding the pitfalls of a whole new suite of ways we can be ripped off or exploited. If we are clever enough to build machines which can do so much of our work, surely we can figure out how to structure an equitable, flourishing society where we work less and share the work better.

The third driver is quality of life. People are questioning why, when so many people are out of work or underemployed, others are working so hard that they have no time for family, friends, community, civic participation, or simply doing less. How can we address this polarisation between the over and under-employed to deliver more equitable outcomes and better work/life balance on both sides of the fence?

The fourth and final driver is the idea that the work-to-consume / work-to-produce-to-consume cycle is at the heart of environmental destruction. The imperative of protecting our planetary home requires us to work out ways of slowing down and producing, consuming and working less.

Inequality and insecurity of work

The last couple of decades have seen some dramatic and unexpected transformations across our community in the nature, quality and distribution of work. We are increasingly seeing a polarisation between a small number of well-paid positions with long-term employment security and excellent working conditions and entitlements, and a growing number of short-term and insecure roles, which increasingly sit outside of our award protections and conditions. Furthermore, many of these roles are becoming increasingly 'flexible' in ways that confer all of the benefits of flexibility onto the employer (not needing to guarantee work hours or pay overtime and penalty rates) and all of the risks (increasingly uncertain hours from day to day with unpredictable incomes) onto the employee. We are not seeing the kind of flexibility that benefits workers by allowing them to balance their caring commitments and stress levels to improve their quality of life.

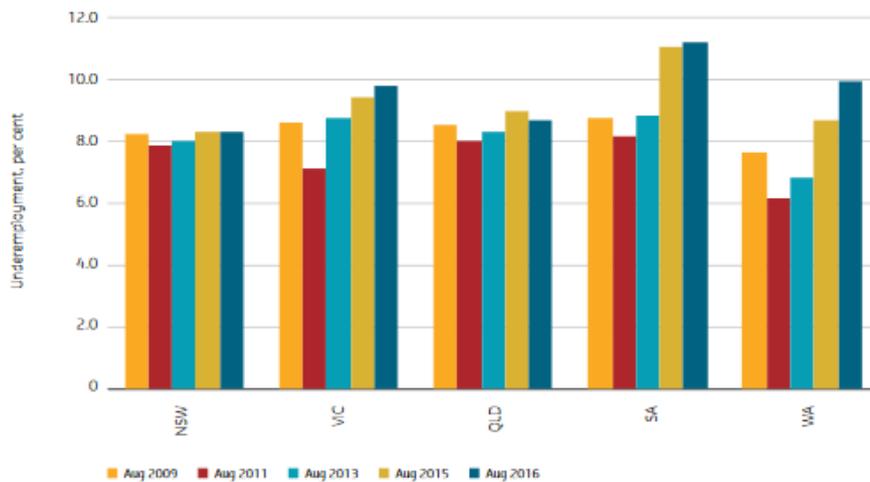
To start with, it was predominantly low-skilled roles where we saw increasing casualisation, uncertainty and under-employment (something you might expect if we were transitioning to a technological utopia in which menial labour was no longer necessary). But underemployment and insecurity has increasingly spread into both skilled work (where now most tradies are sole operators or subcontractors) and many professional roles, including scientific research and tertiary education, as well as health and community services.

Furthermore, whether we are over- or underemployed, our work is also becoming increasingly precarious, with fewer long-term contracts, ongoing positions or guarantees of ongoing employment. This translates into rising levels of work-place anxiety about our future prospects, boosting our preparedness to do more for less while undermining quality and productivity.

This also maps onto the increasing polarisation between underemployment and over-employment. In general, many of us lucky enough to be in full-time roles are increasingly expected to do more and work longer hours, as the number of these positions shrinks while the demands of work keep growing. At the same time the majority of new jobs being created are short-term and part-time. We have seen both a

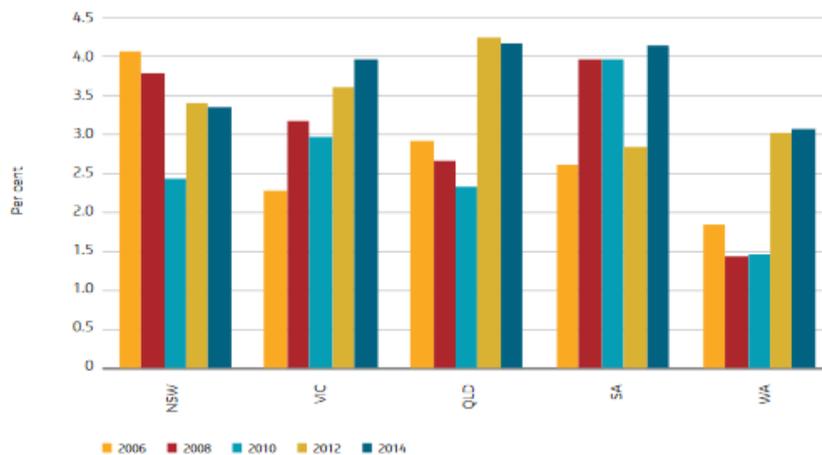
dramatic rise in the rate of underemployment and a decoupling of the relationship between economic growth (as measured in GDP) and employment growth—with wages growth flat-lining and the benefits of increased productivity increasingly delivered as higher returns on capital.

At the same time, the richest 10% of Australians have seen significant income growth, far outstripping that of the rest of the country. From 1988–2011, the richest 10% received a 30% share of the total nation growth in incomes, while the poorest 10% received only a 3% share.¹



Notes: Tasmania and the territories are excluded from the figure because of small sample numbers.
Source: BANKWEST CURTIN ECONOMICS CENTRE | AUSTRALIAN BUREAU OF STATISTICS Cat. No. 6202, Table 23

Underemployment by State 2009–2016.²



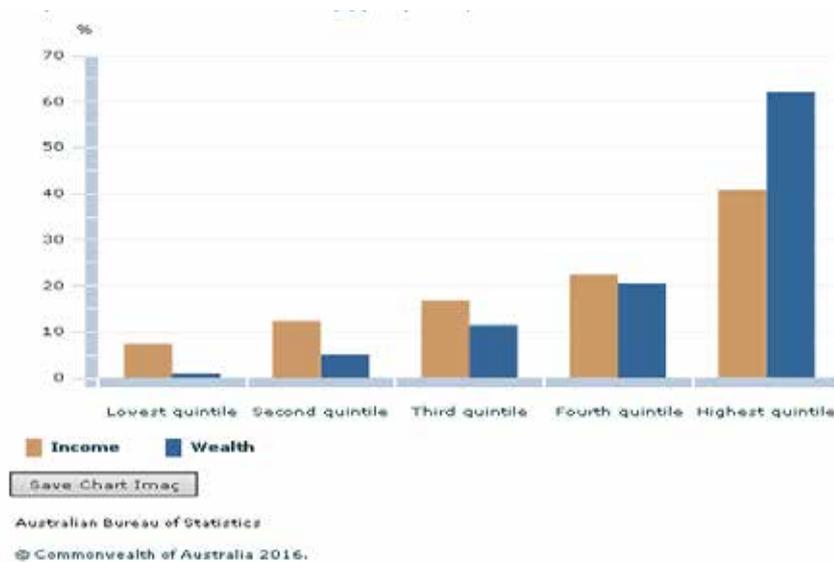
Notes: Tasmania and the territories are excluded from the figure because of small sample numbers.
Source: BANKWEST CURTIN ECONOMICS CENTRE | Authors' Calculations on HILDA

Precarious employment by State 2006–2014³

- 1 Oxfam Australia, An Economy for the 1% - Wealth and Income Statistics for Australia, 2016.
- 2 Back to the Future, Western Australia's economic future after the boom, Bankwest Curtin Economic Centre, 2016, p55.
- 3 *Ibid*, p58.

The Gini coefficient is a measure of income distribution amongst a population. The numbers range between 0 and 1, with 0 corresponding to perfect income equality and 1 corresponding to perfect income inequality. In 2013–14, the Gini coefficient was 0.333 for income, increasing from 0.320 in 2011–12.

Wealth inequality has been even more extreme, with the highest quintile households on average 71 times more wealthy than the lowest quintile.⁴ Gini coefficient for wealth in 2013–14 was 0.605, increasing from 0.593 in 2011–12.



Share of net income and worth by quintile in Australia 2013–14⁵

Not only have recent measures of wealth shown we are growing more unequal as a society, but measures of social cohesion are showing we are becoming more divided and fearful in some concerning ways. The 2016 Scanlon Foundation surveys found that despite social attitudes remaining fairly stable, there were signs of increasing pessimism, high levels of negativity towards Muslims and an increase in the experience of racial, cultural and religious discrimination.⁶ A desire for a major change in our political system was shown to be increasing, particularly amongst those facing financial hardship and insecurity, and those with education at a trade or apprenticeship level, or who didn't finish secondary school.⁷ This strongly indicates that societies with higher levels of inequality are more divided and vulnerable.

4 Australian Bureau of Statistics, *6523.0—Household Income and Wealth*, Australia, 2013–14, 2015.

5 Source: Australian Bureau of Statistics, 2016.

6 Markus, Andrew, *Mapping Social Cohesion—The Scanlon Foundation survey*, 2016, p4.

7 *Ibid.*

The most dramatic result was the unprecedented fall of 15% (from 82 to 67%) in the domain of acceptance, highlighting a significant jump in the number of Australians reporting discrimination as a result of race or ethnicity.⁸ This reinforces international findings linking inequality and reduced social cohesion.⁹

The old populist political model of fear and division is unlikely to go away in a hurry, and we always need to be ready to respond to the demonisation of the other—whether it's welfare-dependent single mothers, Islamophobia or fear of the 'Asian invasion' (it's strange to think Senator Hanson would be laughed down if she tried that line today, but she can still get away with its modern equivalent—whether it's 'halal' or 'sharia law'). At the same time we'd expect that a more educated and connected public would be more critical and discerning—but until we are able to trade up from immediacy to depth, and educate or regulate our way around the power of the fake news sugar-hit to our emotions, we will remain vulnerable.

There are some strange and important contradictions here. Surveys of public attitudes show that the majority of our community support providing greater assistance and support to the disadvantaged and the vulnerable (although there are often some concerns about who does or does not 'deserve' our support—hence the 'lifters and leaners', 'taxed and taxed-not' tropes—and the growing gap between the aged pension and Newstart). We have within the last decade seen a dramatic generational change in attitudes to differences in sexuality and gender, with the majority of our population now clearly supporting same-sex marriage. An educated and better connected world can give us hope and the tools for social transformation—but only if we're able to make it real, connected and personal.

The world is changing dramatically, but our social and political systems and institutions are failing to keep up. We need a fundamental rethink of our welfare, tax and transfers, industrial relations, education and employment systems to catch up with the changing nature of work and generation of value within our society.

Automation

Automation has been a constant presence throughout human history, from the invention of basic tools and domestication of animals through the invention of the plough, the wheel, the steam engine and mechanical loom to the development of computers and artificial intelligence.

Some of these changes have been used to reduce the amount of work humans do. Others have enabled those in power to demand and force those they hold power over to work ever harder, under worse conditions, in more menial and repetitive jobs, so as to produce ever more goods. While the mechanical loom, for example, enabled the production of vastly more cotton than ever before, it would be hard to argue that it did not lead to an increase in work and decrease in conditions in the early Industrial Revolution, in deliberate conjunction with enclosure of the commons and other socio-political acts.

8 *Ibid.*

9 For instance, Richard Wilkinson, *The Impact of Inequality* (2005), *The Spirit Level* (2009).

The focus of discussion around automation in recent decades has been job losses caused by the automation and mechanisation of manufacturing industries. In Australia, it has been suggested that the “great majority” of the 400,000 jobs lost in manufacturing since the 1970s have been due to automation.¹⁰ The failure to support and retrain the workers left behind by this and parallel processes of relocation of manufacturing in the globalised economy is one of the phenomena now blamed for discontent with politics and the rise of the far right, especially in the ‘Rust Belt’ of the USA.

However, it is becoming clear that manufacturing was the tip of the iceberg in automation, with industries from lawyers¹¹ to anaesthetists¹² and many others facing major changes in the years ahead.

In 2015, the Committee for Economic Development of Australia (CEDA) released a report suggesting “almost five million Australian jobs—around 40% of the workforce—face the high probability of being replaced by computers in the next 10 to 15 years.”¹³ CEDA’s prescription for response is to invest in education and innovation to enable Australia to keep up with global changes.

CSIRO’s report from earlier this year, *Tomorrow’s Digitally Enabled Workforce*,¹⁴ similarly projects that 44% of Australia’s jobs are at risk of automation in the coming years.¹⁵ The authors note that, while there are always changes taking place, we currently face a “combination of forces likely to be associated with greater, faster and different transitions than previously experienced”.¹⁶ These include the exponential increases in computing power, the rise of peer-to-peer platforms, the ageing population and the broad economic shift from primary production to services and innovation. However, their analysis also highlights the fact that, as in previous transitions, technology both reduces opportunities for employment and creates others in new and unexpected ways by opening up unforeseen opportunities.

Beyond the question of simple automation changing the types of jobs that exist, a deeper analysis of the impact of technology comes from Paul Mason, particularly in his book, *Postcapitalism*.¹⁷ Mason’s thesis is that a world where we place increasing value on knowledge, and where knowledge is infinitely replicable with no loss of quality through technology, is a world that is incompatible with current capitalist market economies. It is a world of abundance in a system which relies on scarcity.

10 Gittins, Ross, “Death of manufacturing nothing to whine about”, *Sydney Morning Herald*, April 15, 2014, <http://www.smh.com.au/comment/death-of-manufacturing-nothing-to-whine-about-20140415-zquwd.html>.

11 Deloitte Insight: Over 100,000 legal roles to be automated, *Legal IT Insider*, March 16, 2016, <http://www.legaltechnology.com/latest-news/deloitte-insight-100000-legal-roles-to-be-automated/>.

12 Atchabahian, Arthur and Thomas M Hemmerling, “Robotic Anesthesia: How is it Going to Change Our Practice?”, *Anesth Pain Med*. 2014 Feb; 4(1): e16468.

13 Committee for Economic Development of Australia, *Australia’s Future Workforce?*, June 2015, p6, http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/26792%7EFutureworkforce_June2015.pdf.

14 Hajkowicz, Stefan; Reeson, Andrew; Rudd, Lachlan; Bratanova, Alexandra; Hodggers, Leonie; Mason, Claire; Boughen, Naomi, *Tomorrow’s Digitally Enabled Workforce: Megatrends and scenarios for jobs and employment in Australia over the coming twenty years*, Data61 | CSIRO, Brisbane, 2016, <https://publications.csiro.au/rpr/pub?pid=csiro:EP161054>.

15 *Ibid*, p72.

16 *Ibid*, p7.

17 Mason, Paul, *Postcapitalism: A Guide to our Future*, Allen Lane, 2015.

One obvious example of this is the disappearance of royalty payments for musicians, which used to be critical to the financial viability of the music industry. While pirating has always been possible in one way or other, the shift to digital consumption of music makes it endemic, putting tremendous downward pressure on the value of recorded music. Legitimate streaming services, for example, have now disrupted the former free (illegal) download services, but only by making recorded music almost free to consume. This is reducing sales of recorded music and slashing royalty payments to musicians—even highly successful ones—to close to zero.

In Mason's understanding of the world, computerisation threatens not only jobs in certain sectors, but indeed the entire capitalist market system. It calls for a dramatic recalibration of the way we live, trade, and interact.

While there are legitimate debates about the scale of the risk we face, what is undeniable is that there will be more substantial disruptions to existing jobs and industries in the years and decades ahead than our politics is currently ready for. What is also undeniable is that recent disruptions and transitions have already been handled poorly by governments and corporations, leaving workers and their families and communities in the lurch, and leading to increased insecurity, inequality and political instability.

There is both a need for risk management and an opportunity here. The opportunity, in particular, is highlighted by pushes from two dramatically different ends of the political spectrum for full automation supported by a Universal Basic Income.



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At one end of the spectrum are those we might call the techno-libertarians. Elon Musk, for example, has argued that technology will require us to embrace the idea, saying in a recent interview “I’m not sure what else one would do”.¹⁸ Musk is following the lead of others in Silicon Valley, including Y Combinator, which is launching its own localised trial of Universal Basic Income.¹⁹ Y Combinator founder, Sam Altman, is at pains to point out that he does not see this as a socialist policy but a libertarian capitalist one, tweeting “Important point: basic income is not socialism. Basic income provides a floor, and then people can get as rich as they want”.²⁰

At the other end of the spectrum, taking Paul Mason’s ideas to their limits, is the push from the futurist left to “demand fully automated luxury communism”. This perspective promotes the idea that “this era of rapid change is an opportunity to realise a post-work society, where machines do the heavy lifting not for profit but for the people”.²¹ Infinite replicability of valuable knowledge, 3D printing, self-driving cars, and use of robots in mining and manufacturing create a world of abundance where work is focussed on care and creativity, and wealth can be shared equitably.

Meanwhile mainstream politics occasionally acknowledges what is happening, but fails to act as though the challenges are real, pretending instead that jobs can be ‘saved’ by retreating to nationalism and protectionism.

Computers and automation are creating a world with fewer and fewer paid jobs, and more insecure work. Education and training, supporting innovation, are important in this context. But they will not be sufficient. Working less, sharing jobs, and institutionally supporting people to do so, will be vital.

Quality of life

The more we work, the less we live.

Historically, the stated aim of the great majority of societies has been to work less, to enable more time for leisure. Certainly, early and mid 20th century figures of the left saw it as the central goal. Bertrand Russell wrote “In praise of Idleness”,²² while John Maynard Keynes predicted in 1930 that, by 2030, people would be working only 15 hours a week.²³

As we head rapidly towards 2030, we seem further than ever from this goal. Our society is divided between the under- and unemployed and the overworked. And this overwork, often described as a “fetishisation” of

18 Morris, David Z., “Elon Musk Thinks Automation Will Lead to a Universal Basic Income”, *Fortune*, November 6, 2016, <http://fortune.com/2016/11/06/elon-musk-universal-basic-income/>.

19 Kokalitcheva, Kia, “Y Combinator Wants to Test a Revolutionary Economic Idea”, May 31, 2016, <http://fortune.com/2016/05/31/y-combinator-basic-income-oakland/>.

20 https://twitter.com/sama/status/737688607964549121?ref_src=twsrc%5Etfw.

21 Merchant, Brian, “Fully Automated Luxury Communism”, *The Guardian*, March 18, 2015, <https://www.theguardian.com/sustainable-business/2015/mar/18/fully-automated-luxury-communism-robots-employment>.

22 Russell, Bertrand, *In Praise of Idleness*, 1932, <http://www.zpub.com/notes/idle.html>

23 Keynes, John Maynard, *Economic Possibilities for our Grandchildren*, 1930, <http://www.econ.yale.edu/smith/econ116a/keynes1.pdf>.

work,²⁴ has serious negative impacts on our lives. Anna Coote, head of social policy at the New Economics Foundation, is not alone in painting a picture of a society where “high levels of stress and anxiety are normal, where people get ill because they’ve lost control of their time, where marriages are damaged and children suffer.”²⁵

With unions more focussed on conditions than hours, and less powerful than in previous eras, and with more and more people outside formal award arrangements, the drive for shorter working hours is less organised than it had been. Working less is also, in a world of smart phones and the work-to-consume cycle, seen as less possible, and frequently caricatured as a luxury of the prosperous. Nevertheless, ideas of downshifting and tree-changing, and campaigns such as ‘go home on time day’²⁶ continue to arise as people search for some kind of ‘work-life balance’.

Later chapters in this collection will explore important issues such as the benefits to family and community, democracy and civil society, integration and support, gender equity, and much more from working less. It is clear that, against the drivers of a productionist, consumerist, growth-obsessed economy, people are desperately seeking time to build relationships, to share and create networks, to relax.

To be clear, truly enabling this social change will also require substantial reform to increase housing affordability, prevent energy and transport poverty, provide high quality public health and education, and overcome other major areas of entrenched disadvantage.

Nevertheless, even without these changes, the impetus exists and is already reinvigorating discussion of shorter working weeks and Universal Basic Income.

Environmental protection

A later chapter in this collection deals with these issues in more detail. Suffice it to say, for the purposes of this chapter, that our growth-based economy is rapidly coming up against hard environmental limits: clean water, cheap oil, nitrogen, fish stocks, and our atmosphere itself.

The warnings from scientists could not be clearer—human behaviour, driven by the capitalist economic system, is has launched the sixth great extinction our planet has seen, and is jeopardising our own survival.

If inequality, the prospect of automation, and the simple desire for a better life are not enough to convince us to work less, perhaps the idea that we are literally working ourselves towards extinction might help.

24 For example, Coote, Anna, “The fetishisation of work is making us miserable. Let’s learn to live again”, *The Guardian*, October 26, 2016, <https://www.theguardian.com/commentisfree/2016/oct/26/fetishisation-work-miserable-long-hours-poor-pay>.

25 *Ibid.*

26 <http://www.gohomeontimeday.org.au/>



“
... our growth-based economy is rapidly coming up against hard environmental limits: clean water, cheap oil, nitrogen, fish stocks, and our atmosphere itself ...
 ”

Current frames: 'work good; welfare bad'

We identify two overarching frames around work and welfare in the current system which are already problematic and which will only become more so in a world where less paid work is available—the idea that only paid work is a noble pursuit, and that a punitive approach to welfare is necessary to force people into this noble pursuit. These social damaging norms will need to be shifted in order to enable a fairer sharing of work and resources.

While there is a risk that a drive for Universal Basic Income from the right could further entrench these norms to the detriment of the great majority of people, a sensitive debate around shorter working weeks and Universal Basic Income can provide a vital venue for airing these questions and shifting these frames.

The nobility of hard work

The cultural norm of hard work is an unusual one to permeate prosperous communities. In a reversal of historical and expected trends, working extremely long hours has become a status symbol for many. In small talk and introductory conversations, it is now commonplace to explain how hard we are working.

What is even more fascinating is that a norm privileging paid work over any other form of social or economic contribution has become embedded in Labor politics. Prime Minister Julia Gillard made the value of working hard a special focus of her personality as leader, raising it consistently in parliamentary debate, in interviews and in speeches. In her speech to the ALP campaign launch in the 2013 election

campaign, for example, Ms Gillard said: "I have believed all of my life in the power of hard work, in the importance of work, in defining a life in the importance of work."²⁷

It can, in fact, be argued that the rhetoric around 'working families' that has been so enthusiastically adopted by parties of the centre left is inherently exclusionary and derogatory towards those who, often through no fault of their own, cannot find paid employment. John Harris has suggested that the term is "partly intended to reflect people's increasing antipathy towards people on benefits."²⁸ As such, it buttresses a damaging cultural norm which runs counter to social democratic values.

This norm has an important and valuable history. Hard work has often, throughout human history, been vital for the survival of communities. However, embedding it as a cultural norm linked to paid work has also been a powerful tool of oppression. One example is the use of the Protestant Work Ethic in the early Industrial Revolution to compel the working and middle classes towards ever longer working hours. Conversely, many immigrant communities have driven themselves to work hard so as to ensure a better future in their new homes.

Work is, and is likely to always remain, an important part of human activity. The problem arises when our culture, society and economy make paid work the centre of our existence, when we reduce our value as human beings to what we can sell our labour for. That is when the norm becomes damaging.

And, when social, technological and environmental impetuses oblige us to embrace a world with less work, this norm needs to be replaced.

Punitive welfare and blaming the victim

Our current political debates about employment and social security are mired in a worldview that is so last century. The emotional power and community anxiety tapped into by this pervasive myth of the great Aussie dole-bludger allows it to flourish, to be promulgated, re-deployed and politically manipulated in the face of any amount of evidence to the contrary. If you are looking for the shadow of 'post-truth' politics in Australia then you need look no further than the narratives about 'boat people', about the 'business model of the people smugglers', and about 'lifters and leaners'.

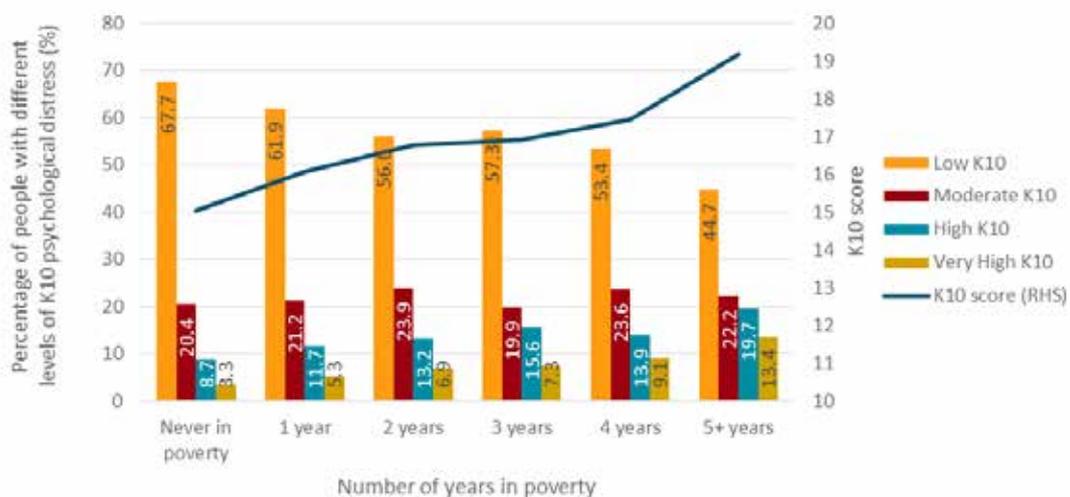
The stigmatisation of those reliant on income support seems to play a totemic role in the narrative of the conservative right in explaining why they are more prudent, hard-nosed economic managers and why a more progressive approach to social security is a slippery slope that leads inevitably to economic stagnation and sloth. They seek to convince the working poor that the reason they are working hard and yet

27 Gillard, Julia, Prime Minister, election speech, Brisbane, August 16, 2010, <http://electionspeeches.moadoph.gov.au/speeches/2010-julia-gillard>.

28 Harris, John, "Does the left have a future?", *The Guardian*, September 6, 2016, <https://www.theguardian.com/politics/2016/sep/06/does-the-left-have-a-future>.

still struggling to get by is not the fault of the rich but of the lazy. Reducing the income support provided to unemployed individuals, single parents or those facing physical or psychological barriers with a partial capacity to work is presented as both an economic necessity and a necessary evil to assist them into work—when both could not be further from the truth. In the face of evidence that post GFC austerity has driven ongoing hardship and stagnation, and the strong consensus by the business and community sectors that our income support payments are too low to the point they actively undermine the ability of the unemployed to secure work, both ALP and Coalition Governments have continued down the path of more punitive and restrictive measures and activity requirements. We've seen both backing the Northern Territory Intervention, 'Welfare to Work' and 'Work for the Dole', the 'Basics' Card and 'Healthy Welfare Card', and shifting single parents and people with a disability onto lower and more punitive Newstart Allowance payments in the face of evaluations that have clearly shown these measures are not only ineffective and complex to administer, they are actively harmful and are undermining the work-readiness, financial resilience and mental health of those they purport to help.²⁹

Here are two compelling pieces of evidence that these punitive micro-management approaches to welfare compliance actively create harm. The chart below tracks the K10 rating—a robust and well-established measure of psychological distress—for unemployed individuals over time. It demonstrates a very clear trend of increasing distress over time, increasing the risk of poor mental health outcomes, particularly anxiety and depression.



Level of psychological distress over years in poverty

[SOURCE: Bankwest Curtin Economic Centre, presentation at WACOSS 2016 Cost of Living Forum]

29 See for instance the evidence from recent inquiries by the Senate Committees into [income inequality](#), [Indigenous programs](#) and [grants, Newstart Allowance](#), the [social determinants of health](#), and the Government's proposed [2016 'budget repair' measures](#). Combined these reports demonstrate the evidence against these effectiveness of investment in these punitive policy measures has been before the Parliament but has not influenced their direction.

Secondly, the life-cycle 'actuarial' analysis of young unemployed New Zealanders undertaken as part of the modelling for their Social Investment approach shows a clear and increasing trend of young people transitioning from youth allowances to unemployment benefits to sickness benefits as poverty, insecurity and life stress take their toll on increasing numbers of unemployed.³⁰

Looking at the numbers over the longer term provides a clear appreciation of the potential of intensive early intervention approaches that support and enable meaningful workforce participation to make a significant long-term difference to life trajectories and welfare costs. That is, assuming that enough jobs are there or being created along the way—otherwise there is a risk that supporting low-skilled and long-term unemployed into work may come at the cost of re-employing more skilled recently unemployed workers who might contribute more to the economy or community. This is where introducing a conversation around Universal Basic Income and shorter working hours can support a complete re-evaluation of the approach to welfare.

This also points to a risk of the 'social investment' actuarial modelling strategy—if we are only measuring the reduction in welfare costs and not the wider economic contributions we can end up with some perverse outcomes. The classic example of this is Social Services Minister Christian Porter arguing that forcing young carers to give up their care responsibilities and take up work would save the welfare budget millions of dollars—without factoring in that the replacement cost for the voluntary care they are delivering would be many times that cost.

To sum up—our current approach to the provision of social security is through an outdated model of welfare support designed around the working conditions of the 1960s and 70s. Ad hoc changes to the system over the last couple of decades, predicated on the mythological dole-bludger have led to an increasingly complex and punitive system that is both ineffectual and increasingly expensive to administer. It seeks to micro-manage the unemployed without having the resources to implement effective case management or support, resulting in illogical participation requirements that often fall over as a result of the inability to contact Centrelink staff—with ongoing IT failures, millions of unanswered calls, and more time spent waiting on the phone than participating in poorly directed and ineffectual training programs. The complexity and lack of trust combine to create a series of perverse disincentives in the form of high marginal tax rates and taper rates, liquid assets tests and so on—which combine to reduce the financial resilience of would-be workers, increase the risk that by bouncing above or below income thresholds they will be excluded or breached—making each trip in and out of short-term employment and each unpredictable pay-packet a kind of Russian roulette. Any changes that reduce this complexity and provide a little more flexibility for those seeking to increase their workforce engagement will not only deliver better longer term employment outcomes, but also save hundreds of millions of dollars in their administration. Our challenge is to shift the framing of the debate about unemployment benefits from a focus on welfare dependence and compliance to one that is about improving lives.

30 For more information see NZ Social Policy Evaluation and Research Unit (SUPERU), [Youth Mental Health Project](#), 2015.

What are the new debates and frames we need?

From the opposite perspective, we propose three new frames which a conversation around shorter working weeks and a Universal Basic Income can facilitate: the ideal of universalism; the realisation that, while work is good, less work can be better; and the approach of encouraging and enabling meaningful work in resilient communities, rather than the punitive attitude to welfare that is failing both workers and employers.

These frames can help us construct systems, institutions and cultures in which less work could lead to greater equity, reinvigorated democracy and civil society, better environmental outcomes, and a more caring, creative, connected community.

We're in this together

The most important frame that a debate around Universal Basic Income and working less can help instil is the idea of universalism—that we are all better off if we work together rather than against each other.

So many forces in our hyper-individualist society, economy and culture heighten alienation. From omnipresent and intrusive advertising to urban design, from the language politicians and commentators use to the policies they pursue, we are encouraged to disconnect from each other, to compete with each other, to see our own self interest as the only legitimate idea to focus on. The concept of deserving and undeserving, of 'lifters and leaners', of dole bludgers and welfare cheats, is central to this.



“
The most important frame that a debate around [UBI] and working less can help instil is the idea of universalism—that we are all better off if we work together rather than against each other
”

One of the opportunities of Universal Basic Income is to undo the stigma of welfare by creating a culture where everyone is supported to meet their basic needs. It is an inherently inclusive idea, breaking down barriers and pulling all of us together.

A key aspect of this universalist frame is recognising that success is not attributable solely to the individual, as current social norms assure us is the case. Rather, success by any individual in our society is due to a broad range of factors including common investment over generations in infrastructure, education, healthcare, an effective judicial system and more. A conversation around Universal Basic Income enables us to highlight this frame.

At the same time, since implementing the policy would require a substantial increase in the tax base, the debate would open up the universalist idea that those who can afford to should support those who need help.

Work is good, but less work is better

The Keynesian ideal of a 15 hour working week used to be uncontroversially positive. It should be again.

We need to reclaim the idea that, while work is important, while we should all contribute our abilities, ideas and skills, a prosperous society should not force the majority of its people to work immensely long hours in order to scrape by.

It should be simple common sense that, in a prosperous and fair society, we seek to have time off, time to ourselves, time with family and friends, time to do community work, to take part in planning our common lives.

Encouraging and enabling meaningful work and resilient communities

Where the current model of welfare is based on compliance and punishment, a Universal Basic Income takes completely the opposite approach, based on encouraging and enabling work.

One of the main attractions of Universal Basic Income is that it gives people the freedom to take risks and make choices they otherwise might not. As well as enabling people to take time off or reduce hours in order to care for young children or sick parents, it also gives people the capacity to start their own small business, write the next great novel, or start a community garden that can help feed their street.

The idea that a Universal Basic Income would discourage work is based on an old, out-dated and incorrect understanding of human motivations. Rather than coercing people to work, we should give them the tools and the capacity to do so.

One critical shift in our thinking about social policy has come from the translation of the concept of 'resilience' from understanding ecosystem dynamics and sustainability to that of individuals, cohorts and communities. Put simply, resilience is a measure of our ability to respond to a challenge, threat or set-back.



“
... a growing number of Australian households might be one accident or health problem or a couple of financial shocks or missed pay-cheques away from financial crisis and hence at risk of homelessness and/or poverty
 ”

Photo credit: CC by attribution—Flickr, RicardoCorralT

Recent reports³¹ have looked at the extent to which measures of poverty and financial hardship provide an indication of the capacity of individuals and families to respond to economic shocks or financial crises. This has led us to consider that a growing number of Australian households might be one accident or health problem or a couple of financial shocks or missed pay-cheques away from financial crisis and hence at risk of homelessness and/or poverty.

From this perspective, our prescriptive and punitive model of income support entitlements can be seen to actively and systematically undermine the financial resilience of the unemployed. If we are even only narrowly concerned about the unemployed for their role as our future potential workforce, then we need to consider if the levels of support provided enable them to be responsive to new employment opportunities, and if their activity requirements and job service training enhance their capacity and flexibility to take up new and unexpected roles. Are we investing in the future and preparing for our role as a community in the new economy, or are we narrowing our options—churning and burning-out our current workforce and diminishing this workforce-in-waiting, while other more inclusive communities get the jump on us?

31 *Financial Resilience in Australia 2015*, Centre for Social Impact, UNSW, 2016.

If we are embracing a wider and progressive view of the role of work within our society and aspiring to a more equitable and inclusive community, then we want to make a shift from a system predicated on a lack of trust that the disadvantaged and economically excluded will act in their own best interest and seek to lift their standard of living and lead meaningful and productive lives. We need to ditch a system that increasingly micro-manages people's lives and keeps upping the ante on participation requirements, breaches and penalties, despite a lack of evidence they can lead to employment outcomes when there are simply not enough jobs to go round.

Instead, we need to build a system that is a bit more flexible and forgiving in the short term, that better understands and allows for unpredictable work hours and weekly incomes—knowing that our systems are such that we can easily track and smooth out incomes over the longer term.

A Universal Basic Income, if provided in conjunction with strong support and training mechanisms, universal public health and education, housing support and more, can provide that flexibility, and can encourage and enable people to find meaningful work in more resilient communities.

Conclusion

These various social and economic drivers, these new debates and frames, may or may not lead to the adoption of a Universal Basic Income. As a policy prescription it is certainly fraught and difficult. However, the conversation is worth having.

By talking about Universal Basic Income with these risks and opportunities in mind, we can have a serious debate about work and society; about fairness and equality and the need for those who can afford it to contribute more taxes to support others who need help; about living within our planetary means; and about looking forward to a world with less work with confidence that it can be a fairer, more engaged, more caring world.

Towards an historical account of Universal Basic Income

Universal Basic Income (UBI) is a simple idea which has been supported over the centuries by scholars and intellectuals including Thomas More, Thomas Paine, Abraham Lincoln, Henry George, Bertrand Russell, Franklin Roosevelt and Tony Atkinson. Universal Basic Income unconditionally provides every resident (children and adults) of a particular geographic location, a regular and unconditional subsistence wage.

Scholars, activists, and politicians have argued that UBI has radical potential for societies around the world. Reviewing the contemporary literature, there are three main ways UBI has been talked about:

As freedom: UBI is a way to *free people from* the threat of starvation, undignified labour and excessive state surveillance under conditional social welfare models. UBI is also a way for people to have *freedom to* live the lives they value and to have the capability to engage fully in their citizenship.

As justice: UBI is an idea to transfer democratic power back to the citizenry, where UBI is paid as a social dividend for their citizenship rather than as welfare. Related to this, UBI is also a way to give negotiating power back to labour—to have the choice not to work in undignified employment. Moreover, UBI can remunerate productive labour which is currently unpaid: for example, care work and household domestic work—a burden mostly held by women.

As economic transformation: UBI is not just about tying people over in times of crises, increased casualisation and precariousness. UBI has also been seen as a way to transition into the slow growth economy through providing people the freedom to undertake forms of labour outside the growth and consumption economy.

Whilst gaining traction today, UBI and the diverse arguments for the idea are not new. In this paper, I wish to suggest historical moments, writings and practise which have contributed to the framing of UBI we see today. This outline is of course not complete, however, a mere beginning to be extended.



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Western history of UBI¹

Thomas More's *Utopia*, published in 1516, is the usual place to begin. More narrates a conversation he has with the Archbishop of Canterbury, discussing how to fight petty theft. More floats the idea of a basic income as an alternative to sentencing petty thieves to death:

This method of dealing with thieves is both unjust and undesirable. As a punishment, it's too severe, and as a deterrent, it's quite ineffective. Petty larceny isn't bad enough to deserve the death penalty. And no penalty on earth will stop people from stealing, if it's their only way of getting food. In this respect, you English, like most other nations, remind me of these incompetent schoolmasters, who prefer caning their pupils to teaching them. Instead of inflicting these horrible punishments, it would be far more to the point to provide everyone with some means of livelihood, so that nobody's under the frightful necessity of becoming, first a thief, and then a corpse.²

Two centuries later, Marquis de Condorcet, whilst in hiding for his role in the French Revolution, wrote *Esquisse d'un tableau historique des progrès de l'esprit humain* (1795). Within this text, Condorcet sketched out the beginnings of a Basic Income scheme to reduce inequality. Like many Enlightenment ideas, Condorcet's ideas travelled to the US and Condorcet's friend Thomas Paine. Paine develops the ideas further two years after Condorcet died in prison. Paine argues that the earth that gets cultivated, and a key part of capital accumulation, belongs to everyone. Individual property is only the value of the improvement through cultivation, and not the earth itself. To Paine,

Every proprietor, therefore, of cultivated lands, owes to the community a ground-rent (for I know of no better term to express the idea) for the land which holds; and it is from this ground-rent that the fund proposed in this plan is to issue.³

Paine then sets out his social insurance program where upon turning 20, every citizen will be paid 15 pounds sterling as compensation in part for the loss of their natural inheritance. This payment was to be given to both rich and poor *men* as a natural right to their ground-rent endowment.

Forty years later in 1836, the French scholar Charles Fourier also advocates for economic security as a natural, inalienable right. He argues this against what he sees as an inherent failure of capitalism to allow man to be self-sufficient because he loses his right to the means of production and subsistence (to hunt, to forage, to have cattle graze on the commons). To Fourier, losing such rights meant that society owed subsistence to everyone to meet their basic needs. Basic needs, to Fourier, randomly, was a sixth class hotel room and three modest meals a day. This payment was not universal, being granted to only the poor.

1 The following snippets are taken from the historical account outlined by the Basic Income Earth Network (BIEN) <http://basicincome.org/about-bien/#history>.

2 More, Thomas, *Utopia*, Penguin Classics, London, 1516/1963, pp 43–44

3 Paine, Thomas, *Agrarian Justice*, 1796, pp 612–613

Almost a century later, in 1849, a follower of Fourier, John Stuart Mill proposed a non-means tested Basic Income. Mill wrote in Book II of his *Principles of Political Economy*:

In the distribution, a certain minimum is first assigned for the subsistence of every member of the community, whether capable or not of labour. The remainder of the produce is shared in certain proportions, to be determined beforehand, among the three elements, Labour, Capital, and Talent.⁴

When accounting for the history of UBI, most tell it as an idea coming from Western intellectuals, and particularly thinking about how to deal with crises within capitalism. Yet we can see ideas of economic security far broader than in the West.

Economic security beyond the West

The Enlightenment thinkers developed their ideas at the time of the industrial revolution and the burgeoning of capitalism as the dominant economic system. It is useful to read their propositions as a way to tender the exploitative and oppressive nature of capital and primitive accumulation. It is also important to note however, that economic security has also been widely documented by moral economy scholars in non-Western societies. This is a body of research that shows how solidarity bonds have been a core part of pre-industrial and indigenous societies. Solidarity bonds are a way not only to tie members of the same kinship group, or community together, but also to provide economic security. Such bonds manifested in sharing of wealth (defined not just through cash⁵) to ensure security for group members. For example, in his seminal text on demand sharing, Nicolas Peterson showed how hunter gathers in Australian First Nations communities share game, cash and commodities altruistically.⁶

Moreover, in his formative book *Moral Economy of Peasants*, James C. Scott showed how economic security was upheld in South-East Asian peasant societies, through the core foundations of the right to subsistence and the principle of reciprocity.⁷ Indeed Richard Posner argued that such economic security through reciprocity was sustained through non-centralised authorities (unlike the nation state model). Yet colonial governments and the enforcement of the centralised postcolonial state model wore down this authority of the moral economy.

Beyond the patriarchy

Not only has the mainstream story of UBI been written as a Western story against capitalism, it has also been a story of men. It is also important to note that through the regulation of relations of power and

4 Mill, John Stuart, *Principles of Political Economy*, Augustus Kelley, New York, 1849/1987, pp 212–214.

5 Graeber, David, *Towards an Anthropological Theory of Value: A false coin of our own dreams*, Palgrave, New York, 2001.

6 Peterson, N., Demand sharing: reciprocity and the pressure for generosity among foragers. *American Anthropologist* 95 (4) (1993), pp860–74.

7 Scott, James C., *The Moral Economy of Peasants: Rebellion and Subsistence in South East Asia*, Yale University Press, London.

normative ideas of gender, in many societies women have held the burden of providing economic security for families through unpaid care and domestic work.⁸

Whilst care and household productive labour is typically not valued in monetary terms, it is extremely productive and underpins economic security in domestic and public spheres. The norm of 'production' is not merely about the production of commodities and services for sale, but also as the production of life (reproduction, child rearing, domestic duties and care work). This distinction challenges the gendered social norm that production of life and reproduction is 'natural' and belongs to the private sphere—a norm that severely undervalues the labour and productivity of women and the economic security they have provided over the centuries.

It is hard to quantify such a significant contribution of economic security, however a contemporary study carried out by Woetzel et al (2015) estimated that women's unpaid work contributes globally US\$10 trillion per year, or 13% of the global GDP.⁹

8 Waring, Marilyn. 1999. *Counting for Nothing: What men value and what women are worth*. Toronto: Toronto University Press.

9 Woetzel, Jonathan, Anu Madgavkar, Kweilin Ellingrud, Eric Labaye, Sandrine Devillard, Eric Kutcher, James Manyika, Richard Dobbs, and Mekala Krishnan, *How advancing women's equality can add \$12 trillion to global growth*, McKinsey Global Institute, 2015. <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth> [date accessed July 11th 2016]



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Basic income developments since the 20th century

In the 20th century, most Western societies had or were in the process of establishing formal welfare systems. Yet welfare systems, whether insurance based or means-tested, are conditional on an individual's requirement to work or to demonstrate a willingness to work. This condition has been contested by contributors to Basic Income, outlining the need for economic security to be not linked to work. At the end of the First World War literary Nobel laureate Bertrand Russell set out his vision for a Universal Basic Income in his *Roads to Freedom: Socialism, Anarchism and Syndicalism*:

... the plan we are advocating amounts essentially to this; that a certain small income, sufficient for necessities, should be secured to all, whether they work or not... no-one should be compelled to work, and those who choose not to work should receive a bare livelihood and be left completely free.¹⁰

Moreover, UK Labour party member Dennis Milner pitched that 20% of GDP per capita should be paid weekly to each citizen of the UK unconditionally. Milner argued this was because everyone had the right to a means of subsistence, unconditional if that citizen worked or not. This proposal was debated by the British Labour Party at the 1920 conference, and later thrown out.¹¹ Despite this rejection, another prominent British Labour Party member, George Cole took up the idea of what he called a social dividend. This idea was then supported by Nobel Laureate James Meade. Cole was troubled by the individualisation of success, and challenged that success was something born of a society:

Current productive power is, in effect, a joint result of current effort and of the social heritage of inventiveness and skill incorporated in the stage of advancement and education reached in the arts of production, and it has always appeared to me only right that all the citizens should share in the yield of this common heritage, and that only the balance of the product after this allocation should be distributed in the form of rewards for, and incentive to, current service in production.¹²

Across the Atlantic, scholars were also debating forms of economic security. American economist Milton Friedman proposed an over-simplification of the social security system, replacing all services and welfare with what he called a negative income tax. Friedman advocated for the negative income tax on the grounds of productivity rather than distribution. Differently, James Tobin proposed a demogrant, which was an unconditional payment to the poor, not replacing other parts of the social security system. Tobin's grant was to be given to each household, and if families were able to get other work, they could undertake this work in addition to the demogrant.

10 Russel, Bertrand, *Roads to Freedom, Socialism, Anarchism and Syndicalism*, Unwin Books, London, 1918, 80–81.

11 BIEN 2016, www.basicincome.org/basic-income/history [Date Accessed 22nd November 2016].

12 Cole, George, 1944 cited in BIEN 2016, www.basicincome.org/basic-income/history [Date Accessed 22nd November 2016].

In 1968, leading economists from across America (but not Friedman), signed a petition and presented it to the US Congress. These scholars were calling for a system of income guarantees and supplements. This letter forced Nixon's administration to implement an impressive social welfare program, including a guaranteed income with financial supplements for workers. This program was later amended to incorporate Tobin's demogrant scheme. Yet the whole plan was defeated by the Senate in November 1974 with Watergate and Nixon's subsequent resignation.

Also in 1974, 1,000 residents in the working class town of Dauphin, Canada, began receiving unconditional monthly payments. The trial was supported by both the federal government and the provincial government of Manitoba, and the payment was set at approximately 60% of Canada's poverty threshold (roughly C\$16,000/person/year). These payments were given for four years but the project's budget of \$17 million ran out half way through the project. The funding shortfall also meant that research around the trial was prematurely abandoned.¹³

Basic Income in Australia

The idea of a universal and unconditional basic income in Australia has also contended with the enduring normative position of what we now know today as 'mutual obligation'. Ronald Mendelson notes that within the first 50 years of federation, the debate in Australia around receiving benefits where in a big part, over the issue of individuals *contributing* to benefits (through taxes on waged labour).¹⁴ This obsession of waged labour as contribution has consequently led Castles and others to categorise the Australian welfare system as the *workers welfare state*.¹⁵

The connection between contribution and income security has deeper roots—linked to the idea of waged labour as a requirement of being a member, and indeed a productive member, of society. Such an idea overlooks the freedom for people to choose whether to work, persecuting anyone choosing not to work because of the exploitative conditions in which capital operates. This condition of mutual obligation linked to waged labour clearly excludes other forms of productive labour such as reproductive work carried out by women through child birth and through productive labour within the household and child raising—historically and currently free labour extracted overwhelmingly from women. It also includes the productive labour undertaken by many First Australians in caring for country.

Despite mutual obligation being a normative assumption of economic security in Australia, there have been proposals of Basic Income in Australia. In 1975, Ronald Henderson chaired a series of seminal volumes as part of the *Poverty in Australia* inquiry. Within the First Main Report, Henderson proposed a

13 Forget, Evelyn, *The town with no poverty: Using Health Administration Data to Revisit Outcomes of a Canadian Guaranteed Annual Income Field Experiment*, 2011, <https://public.econ.duke.edu/~erw/197/forget-cea%20%282%29.pdf> [Date Accessed the 22nd November 2016].

14 Mendelson, Ronald, *The condition of the people: social welfare in Australia 1900–1975*, George Allen & Unwin, Sydney.

15 Castles, Francis, *A farewell to Australia's Welfare State*, Eureka Street, Vol 11 (1), 2001.

Guaranteed Minimum Income for all workers. The review was received well by the then Labor government, however was soon forgotten with the election of the Liberal government later that year.

Further, in 1977 HC 'Nugget' Coombs proposed a program whereby Indigenous notions of work were paid under what is known as the Community Development Employment Program (CDEP). In policy, CDEP was conditional on people working, however work was defined in its broadest sense. CDEP was also community controlled so that Indigenous groups could work out culturally appropriate modes of work. In practice though, because the program was given to Indigenous organisations to administer, in many cases, it was given unconditionally as a Basic Income and to make sure people had some cash to survive.¹⁶ In 1989, Jon Altman and Taylor produced a report *The Economic Viability of Outstations and Homelands*, commissioned by the Australian government. The Report recommended that a Guaranteed Minimum Income for Outstations (GMIO) scheme be established as a new program without income or work testing, providing basic income to those who demonstrate a commitment to outstation living in recognition of both their work in the informal sector and the absence of formal employment.¹⁷ This idea was overridden with the government's focus on up-scaling CDEP. However, since 2000, CDEP was targeted by both neoliberal Labor and Liberal federal governments, resulting in CDEP being morphed into a complete work for the dole program. All the Basic Income aspects were reduced to workfare.

Basic Income today

Basic income schemes as a means to provide economic security, autonomy and dignity for marginalised communities have been garnering support globally. Basic Income programs internationally have largely been a successful form of economic safety net for extremely marginalised populations, such as found in the Basic Income Trial in India, and in unconditional cash transfers in Southern Africa. In the Global North, trials for a Basic Income are positioned as a basic wage for every citizen, not only the marginalised and vulnerable in communities.¹⁸

For example, Basic Income in the Global North has included the agreement of a trial in Utrecht, Netherlands, and the Finnish Parliament has locked in a trial to give its citizens a 800 euro stipend per month. The Canadian Province of Ontario has also recently committed to trialling a UBI in 2018. The details of this trial are still being worked out at the time of writing. Moreover, Republican Governor of Alaska, Jay Hammond, was able to institute the Alaskan Permanent Fund. The Fund acts as a Basic Income, paying unconditional annual dividends to all residents of Alaska, generated from oil wealth.

Debates around economic security and Universal Basic Income continue to gain more traction in growing global economic precariousness and the increase of automation in the labour market. For example,

16 Altman, Jon, "Basic Income for Remote Indigenous Australians: Prospects for a Livelihoods Approach in Neoliberal Times" In *Basic Income in Australia and New Zealand: Perspectives from the Neoliberal Frontier*, edited by Jennifer Mays, Greg Marston and John Tomlinson, 179–205. New York: Palgrave MacMillan, 2016.

17 Altman, Jon, and Luke Taylor, *The Economic Viability of Aboriginal Outstations and Homelands*, Canberra: Australian Council for Employment and Training, 1989.

18 Standing, Guy, *A Precariat Charter: From Denizens to Citizens*, London: Bloomsbury Academic, 2014.

Switzerland held a referendum in 2015 so that each Swiss citizen would receive 2,500 Swiss francs per month. Whilst this referendum did not get over the line, the campaign brought UBI front and centre of the public debate on the future of welfare in Switzerland.

Looking beyond the West, cash transfers have been a feature of economic security for populations of southern Africa. In South Africa, for example, 3.5% of GDP and 10% of national expenditure goes to 30% of the population in old age pensions and child support. In Namibia, 12% of the population receives grants such as the child maintenance main grant. A specific Universal Basic Income scheme is currently being debated in South Africa. Here, a UBI is seen as a way to support people who are permanently excluded from the limited South African formal labour market. Scholar Jonny Steinberg argued the need for rethinking approaches given the limited promise of full employment in an article in *South Africa's Business Daily* (2013):

... It hasn't mattered who is in power or whether our political system has been a racial dictatorship or a democracy, or whether our labour law has been rigid or flexible—we cannot employ everybody. We cannot even come close. To think that we can is to indulge in millenarian thinking, as if Jesus will come and remake the world, as if there is a thing called magic. Deep deep down we know this. For a while we talk about creating jobs, we have been doing something else—we have been handing out grants. Some say this is a stop gap measure, just to tide us over until jobs are found. Others say that it is creating a cultural of idleness from which there will be no return. But if we are honest, it is what we do now and what we will keep doing forever. It is a substitute for work and it holds the country together; it has saved many millions from starvation and misery.¹⁹

19 Steinberg, Jonny, Idea of jobs for all is a dangerous habit, *Business Daily*, 26th July 2013.



Anthropologist James Ferguson has echoed similar arguments regarding a basic income in South Africa. Ferguson has observed the failure of the promise of employment through mass unemployment or underemployment of populations in South Africa, and argues this is not going to disappear anytime soon. Consequently Ferguson contends that wage labour can no longer serve as the main basis of social membership, and a UBI could be an alternative.²⁰

Moreover, a Universal Basic Income trial has been carried out in rural India by UNICEF and the Self Employed Women's Association (SEWA). In eight villages in Madhya Pradesh, India, men and women were given 200 rupees per calendar month and children 100 rupees per calendar month from June 2011 to May 2012. Compared to non-UBI villages, the payments not only supported people to develop capabilities and obtain more resources, but it also encouraged them to partake more effectively in economic, social and political life.²¹ The women were able to invest this capital into other economic and social activities that increased their own income (and that of their household) by up to 16%. In the control villages, 36% of girls of secondary school age were enrolled in schools, compared to 66% of girls in the UBI villages. Further, while the nutritional status of boys improved in trial villages, the proportion of girls with normal weight-for-age in basic income villages experienced a 25% improvement (compared to a 12% improvement in the control villages).²²

Feminist political economist Kathi Weeks, in her seminal text *The Problem with Work*, states, "Utopian demands, including demands for basic income and shorter hours, are more than simple policy proposals; they include as well the perspectives and modes of being that inform, emerge from, and inevitably exceed the texts and practices by which they are promoted."²³ This historical account of UBI suggests that the idea is just beginning.

20 Ferguson, James, *Give a man a fish: reflections on the new politics of distribution*, Durham and London: Duke University Press, 2015

21 Davala, S., R. Jhabvala, G. Standing, and S. Mehta, *Basic income: A transformative policy for India*, Bloomsbury Publishing: London, 2015.

22 *Ibid.*

23 Weeks, Kathi, *The problem with work: Feminism, Marxism, Antiwork politics, and post work imaginaries*, Durham and London: Duke University Press, 2011, pp 32.

On shorter working hours

On 21 April 1856, stonemasons from building sites around Melbourne stopped work, and marched down from the University of Melbourne to Parliament House. Their claim was simple but ambitious—an eight-hour day with no loss of pay.

The stonemasons won their strike and became the first workers anywhere in the world to win the eight-hour day without loss of pay through organising into a trade union. They grasped early socialist Robert Owen's utopian vision of a society founded on "eight hours labour, eight hours recreation, eight hours rest" and brought it forth into Melbourne's real life bricks and mortar then springing up and over its temperate wetlands.

This win, however, was no accident. The stonemasons had carefully planned and organised their strike.

Victoria's gold rush was driving Melbourne's rapid expansion both in terms of population and in the ambition of the city's elites for new public buildings, monuments and works. Stonemasons and related tradespeople were working long hours in unsafe and exposed conditions for little pay and no job security. All this to make a few wealthy and privileged men, who had the wherewithal to both forcibly drive off the original inhabitants of the land merely a generation earlier and stack the property laws of the colonial administration to further entrench their position, even wealthier.

The building workers were angry and they wanted change. They organised a public meeting at Queen's Theatre on 26 March 1856.¹ It was at this meeting where it was decided that "the time has arrived when the system of eight hours should be introduced into the building trades".² The workers further resolved to set a deadline that after 21 April, "we promise to work eight hours and no longer".³

The stage was set. On April 21, James Stephens gathered together his fellow stonemasons working at Melbourne University to walk them off the job. Stephens had previously joined the Chartist movement for

1 See <http://ergo.slv.vic.gov.au/explore-history/fight-rights/workers-rights/winning-8-hour-day>

2 *Ibid.*

3 *Ibid.*



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universal suffrage and democracy in England in 1839 at a time when the Chartists had incorporated the ten-hour working day into their claims. The modern struggle for democratic rights and shorter working hours were being born together in the tumult of the British industrial revolution.

Stephens was no stranger to mass action, being a veteran of the failed November 1839 Newport Rising in South Wales (an uprising of Chartist workers in support of equal rights and improved workplace conditions).⁴ Stephens brought this experience to his service on the day of the strike:

It was a burning hot day and I thought the occasion a good one, so I called the men to follow me ... I marched them to a new building then being erected in Madeleine Street, thence to Temple Court, and on to Parliament House, the men at all these works immediately dropping their tools and joining the procession.⁵

The industry-wide stoppage led to negotiations with the stonemasons' employers and the recognition of their claim for an eight-hour working day without loss of pay.

This win echoed around the world and down through time. The International Workingmen's Association, otherwise known as the First International, declared in Geneva 10 years after the stonemason strike, that the "legal limitation" of the working day is a preliminary condition without which all further attempts at improvements and emancipation of the working class must prove abortive.⁶

It was in this spirit that, in Chicago 1884, a convention of American unions announced that workers would only work an eight-hour day in the United States from 1 May 1886 onwards.⁷ When the fateful date arrived, 80,000 people marched in Chicago in support of the eight-hour day.⁸ They were joined by 350,000 workers around the United States who shut down their factories and went on strike for an eight-hour day on May 1.⁹ At a public meeting of 6,000 workers two days later at the McCormick Chicago factory, police fired on the crowds and killed four people.¹⁰

The next day there was a rally in Haymarket Square against police violence. A bomb was thrown at the police. Seven police and four protestors were killed in the bomb blast and the subsequent gun fire.¹¹ Using the terrorism scare and with active disregard for due process and natural justice, the authorities rounded up hundreds of activists, put prominent labour leaders on trial and eventually executed four defendants.

4 See <http://ergo.slv.vic.gov.au/explore-history/fight-rights/workers-rights/james-stephens>

5 Sparrow, J & Sparrow, J, *Radical Melbourne*, Vulgar Press, Carlton North, Vic, 2001.

6 See <https://www.marxists.org/archive/marx/works/1866/08/instructions.htm>

7 See https://en.wikipedia.org/wiki/Federation_of_Organized_Trades_and_Labor_Unions

8 See https://en.wikipedia.org/wiki/Eight-hour_day

9 *Ibid.*

10 See https://en.wikipedia.org/wiki/Haymarket_affair

11 *Ibid.*

They sang the Marseillaise as they were led to the gallows dressed in white hoods and robes. Their pardons came too late to save their lives.¹²

This American movement for shorter working hours inspired workers and unionists the world over to celebrate 1 May as an international workers' holiday. May Day kept the flame alive for shorter working hours until organised workers could make regular and consistent gains to expand their leisure time during the 20th century.

Despite the early success of stonemasons, the eight-hour day did not become a national standard for every Australian worker until the 1920s.¹³ Moreover, the traditional five-day working week was only finally won in the shadows of World War II, with the first five-day week commencing on 1 January 1948.¹⁴ Australian weekends are a relatively recent gain, permanently under threat.

12 *Ibid.*

13 See <http://www.actu.org.au/about-the-actu/history>

14 *Ibid.*



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Over the next 30 years in Australia, however, workers standing together in unions carved out more time and space to live their lives with the introduction and expansion of annual leave. It was only in 1973 that workers won the right to four weeks annual leave.¹⁵ Finally, in 1981, workers won the standard 38 hour week—the legal standard which remains today.¹⁶

The struggle for shorter working hours not only informs our history but is part of our inheritance. On a Friday evening, commuters hurry past Melbourne's eight-hour monument on Victoria Street opposite the Trades Hall building, anxious to start their weekend. In the failing light of a Saturday afternoon, photographers snap brides and grooms in front of the glowing stonework of Melbourne University's Old Quadrangle—celebrating their love and their lives to be in the leisure time carved out for them by the very stonemasons who crafted their surrounds. Most will miss these markers, these memories etched in stone, unaware of what relevance these past struggles have for our future.

These monuments, buildings and places in our cities form half-forgotten urban song lines waiting to be rediscovered by a new generation. For the last 30 years are somewhat of an oddity when it comes to the history and expansion of capitalism—they represent an interruption to what has been a near constant contest over the length and duration of the working week. If we are to have any hope for a civilised and secure future, however, we'll have to take up the struggle once again for a shorter working week.

The first thing we have to recognise is that we live within a broken system where there is no necessary connection between hard work and wealth. Our future prosperity won't come from us individually working harder and longer—some of the poorest people in the world endure lives of unceasing toil. In the OECD, it is the poorest countries where workers work the longest average hours in a given week. In Mexico, Costa Rica, Korea and Greece, workers toil longer than anyone else, whereas German, Swiss, Danish and Swedish workers enjoy some of the shortest average working weeks.¹⁷

Moreover, Sweden as one of the world's wealthiest and most equitable countries is in the midst of a series of trials and experiments with a six-hour working day.¹⁸ Toyota workers in Gothenburg have been working a six-hour day for the past 13 years; Filimundus, a Stockholm-based app-developer, recently switched across; and a Gothenburg nursing home is coming to the end of a 24-month trial with a six-hour working day. These experiments point to a future where shorter working hours allow us to live richer and more meaningful lives, spread secure work opportunities equitably in the face of automation, and slow our economy in a controlled-manner at a time when we need to navigate the climate crisis.

15 *Ibid.*

16 *Ibid.*

17 See <https://stats.oecd.org/Index.aspx?DataSetCode=ANHRS> for OECD data.

18 See <http://www.independent.co.uk/news/world/europe/sweden-introduces-six-hour-work-day-a6674646.html>.

Prior to starting the trial, the Gothenburg nursing home employed 60 nurses. To fill its roster, it has subsequently hired an additional 17 nurses.¹⁹ Imagine the experience of this one workplace replicated across a whole economy. There would be a significant expansion to the broader caring economy—more permanent work for nurses, doctors, and teachers.

Back in Australia, we are experiencing a structural imbalance between unemployment, underemployment, insecure work and overwork by those in full-time employment. Each of these factors exist in relation to each other. Australian workers, an incredibly generous bunch, donate enough unpaid overtime to their employers that it amounts to a total of 14.7% of total hours worked.²⁰

Let's be clear about what this means about the relationship between working hours and employment precarity. No one need be unemployed. No one need be underemployed. The stress and anxiety some of us feel for not getting work or enough of it are linked—they are both opposite ends of our antiquated and unbalanced approach to work. Our suffering is a social choice. We can spread out the total working hours in our economy and no one need miss out. Shorter working hours creates opportunities for those of us who are out of work or in insecure jobs without enough hours. It forces employers to hire more workers in order to get the job done.

As automation spreads from manufacturing into transport, logistics and traditional white collar work, the need for shorter working hours will only grow stronger. Otherwise more and more people will be deemed surplus to economic requirements—an existential threat to our democracy.

Shorter working hours are also vital for our planet. The gradual reduction of the working week allows us to channel our productivity gains into time, instead of increased production and consumption, thereby burning up less of our finite resources. Think of the reduction of working hours as like applying the brakes in an out-of-control car—the gradual application of pressure allows us to bring the economy back under control and deal with the current threat of climate change to both people and planet.

As a starting point, a shorter working week helps to lower greenhouse gas emissions. A study by the Center for Economic and Policy Research projected that reduced working hours could mitigate up to half of non-locked in global warming.²¹ Commuting to work less often and opting to use more of our common prosperity on leisure time instead of buying stuff helps us to avoid climate disaster.

The phasing down of the legal working week in the *National Employment Standards* under the *Fair Work Act 2009* (Cth) could occur at a rate of 30 to 60 minutes each year to coincide with the National Minimum Wage case. Part of the workforce's productivity gains could go towards cost of living increases in pay,

19 See <http://edition.cnn.com/2016/11/04/health/6-hour-workday-sweden-glasgow/>.

20 Baker, David, Molly Johnson and Richard Denniss, *Walking the tightrope: Have Australians achieved work/life balance?*, The Australia Institute, Canberra, November 2014, <http://www.tai.org.au/sites/default/files/P99%20Walking%20the%20tightrope.pdf>.

21 Rosnick, David, *Reduced Work Hours as a Means of Slowing Climate Change*, Center for Economic and Policy Research, Washington, February, 2013, <http://cepr.net/documents/publications/climate-change-workshare-2013-02.pdf>.

and part could go towards shorter working hours. This would mean a radically different full-time working norm could be phased in over a five to 10 year timeline—the expected lifetime of any genuinely populist progressive government.

It's not that shorter working hours solves our social, economic and environmental problems; it's that it gives us the time and space to meaningfully solve them. To secure our future, we need to reach back into our past and reclaim our traditions—it is there we discover that people understand their lives. They understand their working day, their working week, and they understand that this is the point at which to intervene within the system to build something new. It is the further shortening of working hours which stands as a preliminary condition from which real and further change becomes possible. For the roses of eco-socialism cannot grow and thrive without first removing the weeds of overwork and insecurity.



Photo credit: CC by attribution—Flickr, Reinis Triadas

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Commuting to work less often and opting to use more of our common prosperity on leisure time instead of buying stuff helps us to avoid climate disaster.
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Not Just a Basic Income

One of the great attractions of Universal Basic Income (UBI) is the breadth of its support. Not only are progressives like Martin Luther King and Eric Olin-Wright strong supporters, but so too are free market advocates like Milton Friedman and tech-savvy entrepreneurs. The libertarian impulse behind a basic income—allowing people to spend money as they see fit and without judgment—creates interesting alliances, but it also potentially conceals important points of difference. Depending on both the level of payment, and the other policies it complements or replaces, a UBI can have radically different implications. A basic income can potentially help break down the stigma and conditionality of many government payments, and improve work incentives and equity. However, where it is used to replace other components of social policy—whether through ‘buying out’ public services or reducing the ‘need’ for fair labour laws and job creation, it may instead serve to entrench the inequalities of a neoliberal world.

Friedman is one of the most influential advocates of UBI. His version of the policy involves a negative income tax—a mechanism where low income earners are rebated extra income from the government rather than paying tax to the government. This would replace most government payments, and in Friedman’s view, potentially many public services. Free markets would thus predominate, but poverty would be ameliorated by ensuring everyone had at least some cash to purchase the goods and services they needed. More recently, futurists have argued that technology will see robots replacing workers. UBI is here seen as a way of ensuring people have income in a world with too few jobs. Both the futurist and libertarian approaches focus most of their attention on access to money. If we ensure people have money then they can buy the things they need through markets. In this sense a UBI is entirely consistent with support for free markets. Alternatively, much progressive social change has come by regulating or replacing markets—ensuring fair wages and conditions, industry policy to ensure good jobs, and public services to ensure people get the services they need. A UBI that complements these initiatives is quite different to one that replaces them.



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is *Market Society* published with Cambridge University Press. Ben was the Co-Convener of the Australian Greens during the 2013 election.

'Buying out' the Welfare State

Australia, like most developed economies, spends considerable public money on payments and social services. This potentially creates a pool of funds for a UBI. Of course, our current payments system is far from universal. So simply redistributing this pool of funds across more people will leave some current recipients with less, while extending new payments to those in less need. Some of this might be clawed back through changing the tax scales, but it is easy to see why proposals that include other government spending might offer the possibility of a higher payment and allow people more 'choice' in areas like health and education. However, the evidence suggests any such move would prove a false economy.

The most dramatic example comes from the United States, where public provision has been least extensive. Much has been made of the stagnation of US wages. Since the 1970s, real wages have barely moved, despite considerable economic growth. All of the gains of the economy have instead been transferred to the very top of the distribution, massively increasing inequality. However, it is not just wage levels that have been driving this divide. The changing nature of the economy has made the kinds of services governments often provide—like health, education and care—much more important to people's standard of living. And left to the market, the rising costs of these services have made life much harder for ordinary workers.



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Elizabeth Warren (now a Senator for Massachusetts) reveals how traditional measures of living standards have concealed a real decline for average workers.¹ Interestingly, Warren was initially responding to a very different (pre-GFC) debate about consumerism and debt. Some claimed that growing household debt in the US showed workers were profligate, racking up credit card debt on widescreen TVs, clothes and entertainment. The same themes were reflected by some environmentalists critical of the ecological impacts of consumerism and materialism. If consumerism was driving growing debt, Warren reasoned, then we might expect to find evidence of rising discretionary spending on the types of things we typically associate with consumerism—electronics, clothing, eating out and appliances. Yet in every one of these categories, the typical middle income family was spending less in real terms (and as a proportion of their income) than did the equivalent family back in the early 1970s. How could families have less discretionary spending and still be going further into debt?

The shift to the market during the 1980s and 1990s not only flattened wages and increased inequality, it transformed social services to make them both less equal and much more expensive. Between the early 1970s and mid-2000s American families were forced to spend significantly more of their income on essentials, like healthcare, childcare, college fees and mortgages.² Taxes were going up too, as the public sector struggled to keep up with expensive private markets in health and education. In 2007, before the introduction of Obamacare, *public* spending on healthcare in the US was already near the top of the international ladder. Per capita *public* health spending in the US was the same or even higher than much more generous systems in France and Sweden.³ And just as the government struggled to keep up with expensive private systems, so too did average families. Household debt, Warren argued, was fueled by privatisation, not consumerism.

Australia's private Welfare State

Australia has avoided the worst aspects of the US experience. Real wages have increased—although slower than GDP growth.⁴ Importantly, Australians have been protected from the crippling costs of health and education in the US. It is rare for Australians to go bankrupt because they are sick or from university debts. However, similar trends have begun to emerge. Rising costs are particularly pronounced in areas where provision has become more privatised. Increased public funding of private schools means the level of public funding per student is now similar in public and private schools,⁵ yet school fees continue to rise.⁶

1 Warren, E., 'The new economics of the middle class: Why making ends meet has gotten harder', Testimony before United States Senate Finance Committee, May 10, 2007.

2 *Ibid*, p7.

3 Organisation for Economic Cooperation and Development (OECD), *Health at a Glance 2009: OECD Indicators*, OECD: Paris, 2009, p161.

4 Mitchell, B., 'Real wages falling in Australia', *Bill Mitchell Blog*, 2016. Accessed 2 December 2016 from: <http://bilbo.economicoutlook.net/blog/?p=33031>.

5 Bonnor, C. and B. Shepherd, *Uneven Playing Field: The state of Australia's schools*, Centre for Policy Development: Sydney, 2016, p10.

6 Australian Bureau of Statistics (ABS), 'Consumer price index, Australia' Tables 3 and 4, June 2016. Downloaded December 2, 2016 from <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Jun%202016?OpenDocument>

The 2010 Intergenerational Report identified the cost of the public subsidy of private health insurance as the fastest growing component of the entire public health budget.⁷ And a similar dynamic can be seen in childcare, where governments subsidise private provision rather than providing care directly for children. But are these comparisons fair? After all, government subsidies for private services are different to giving citizens money to spend as they see fit.

Perhaps the best Australian example of converting public services into cash payments comes from Commonwealth Rent Assistance (CRA), which has grown rapidly while spending on public housing has stagnated. CRA is not strictly a UBI. To receive the payment you need to be paying rent, and the payment is income tested. But in practice it acts in a similar way to UBI. The rental test is now so out of line with private rents that three quarters of recipients receive the highest level of payment,⁸ meaning it acts more like a uniform rate. And for younger people in particular, renting is also becoming ubiquitous. The operation of the means test mimics the structure of a negative income tax, with those on low income getting cash back from the government.

The results are far from heartening. Between 2008/9 and 2012/3 the total cost of CRA rose 17% in real terms, yet over 40% of those receiving rent assistance remain in housing stress, the same as four years earlier, because rents are so high.⁹ Greg Jericho recently showed that just like in the US, people are now spending more of their income on housing because a private market is failing to deliver.¹⁰ Of course, simply abolishing CRA now would leave thousands much worse off. But the failure of a large increase in spending based on a similar model to a UBI to ensure its recipients receive a 'basic' standard of living points to the structural challenge in using UBI as a replacement for direct social provision.

The failure of CRA to solve housing affordability points to a challenge for progressive UBI advocates. If the reason income assistance is falling behind social need is because the basics of life cost too much, then campaigns to expand free public provision might be more effective than campaigns for basic income. Australia has some of the highest out of pocket costs for health in the OECD, very high private spending on education and one of the most expensive housing markets in the world. Childcare and aged care are not only expensive, but often inadequate. And campaigns for public services tend to be more popular than those for higher payments. So strategically it may be more useful to focus our energy on free universal public services, rather than universal payments.

7 Australian Department of Treasury, *Intergenerational Report 2010*, Treasury, Canberra, 2010, p53.

8 Archer, T., 'Fixing rent assistance' in *Insight: Gimme Shelter—housing affordability in Australia*, 6, 2012, p38.

9 Australian Institute for Health and Welfare (AIHW), *Housing assistance in Australia 2014*, AIHW: Canberra, Cat. No. HOU 275, pp64–69.

10 Jericho, G. 2016, 'I could get outraged by this boomer-millennial war, but I'd rather look at the evidence', *The Guardian*, October 18. Accessed on December 2, 2016 from: <https://www.theguardian.com/business/grogonomics/2016/oct/18/i-could-get-outraged-by-this-boomer-millennial-war-but-id-rather-look-at-the-evidence>



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Money isn’t everything, but it sure does matter

While we should be sceptical of proposals that focus only on money as a measure of inequality or social inclusion, in monetary economies cash matters. Even with free public services, even a modest level of ordinary social engagement requires some cash. Australia has a particularly stingy system of social payments, at least for those of workforce age. Newstart, the unemployment benefit, has failed to keep pace with rising costs. While it is indexed to inflation, it has fallen behind wage growth and behind the costs of essential services that make up a much larger proportion of the spending of low-income households.¹¹ Indeed, that failure itself reflects the dynamics of private housing and utilities markets, discussed above.

Australia’s system of social support has become more conditional, punitive and subject to surveillance. The inadequacy of payments is reinforced by greater obligations and a meanness of spirit. The unemployed are forced to engage in job search and preparation that often has little prospect of success. Programs like Work for the Dole do little to help people get a job.¹² Greater restrictions have been placed on parenting and disability support payments, involving greater surveillance, higher costs for government to administer and often lower payments. Compulsory income management is now being extended over a larger section of the community, while there remain live proposals to cut off young unemployed people from all assistance for significant periods.

11 South Australian Council of Social Service (SACOSS), ‘SACOSS Cost of Living Update December Quarter 2015’, No.25, SACOSS: Unley, 2016, p5.

12 Borland, J. & T. Tseng, ‘Does ‘Work for the Dole’ work?: an Australian perspective on work experience programmes’, *Applied Economics*, 43, 2011, 4353–4368.

Given this dire situation, the UBI offers some hope. Indeed, the two payments that look most like a UBI—the age pension and family benefits—have also been most resistant to these trends. Of course, neither the pension nor family benefits is strictly a UBI. Both payments have a means test. However, the design of the means test is broadly consistent with the UBI philosophy and reflects what scholars generally call ‘affluence testing’ rather than the more stingy tradition of ‘means testing’. Affluence testing ensures relatively easy access to most of the target population; it is mainly designed to prevent higher income earners from gaining assistance. For example, about 80% of people aged over 65 receive some age pension.¹³ Similarly about two-thirds of families with children receive some family benefit.¹⁴ The main difference between affluence testing and a negative income tax is that middle income earners end up paying higher effective marginal tax rates under affluence testing because they lose payments as they earn more. So here a UBI could improve work incentives and remove poverty traps.

Universalism can pay

Inclusive payments have significant economic, social and political benefits. For example, New Zealand has a universal public age pension (confusingly called superannuation). Everyone over 65 is eligible and there is no means test. The New Zealand system has lower administrative costs, less hassle for its recipients, and importantly, has seen a higher rate of older New Zealanders in paid work.¹⁵ Transitioning to such a model would need attention to detail to prevent large gains to the highest income retirees. But there is ample room to do this. The problems of the Australian system have led to new schemes to reduce the tax paid by older Australians—who now pay lower tax rates than younger workers. Replacing these deductions with a universal pension would likely be fairer and more efficient.

A universal age pension would eliminate one of the biggest distortions in Australia’s housing market. The means test for the pension excludes the family home, which is also excluded from the capital gains tax. Those exclusions make some sense in a world where the vast majority of workers will own a home, and where that home is primarily a place to live, not an investment vehicle. Neither condition now holds. Younger generations face a far less equal housing future. And governments now actively encourage retirees to ‘draw down’ the equity in their home, turning homes into financialised credit cards. Including the family home in the pension means test would face fierce political resistance and have unintended consequences (potentially forcing some poor retirees to move away from family and friends). But abolishing the means test entirely has the same impact on incentives, without those potential downsides.

13 National Council of Audit (NCoA), *Towards Responsible Government*, Commonwealth of Australia: Canberra, 2014, p81.

14 The Conversation, ‘FactCheck: Is half to two-thirds of the Australian population receiving a government benefit?’, *The Conversation*, May 11, 2015. Accessed 2 December 2016 from: <https://theconversation.com/factcheck-is-half-to-two-thirds-of-the-australian-population-receiving-a-government-benefit-41027>

15 Organisation for Economic Cooperation and Development (OECD), *OECD Data*, Labour force participation rate, 2016, accessed 2 December 2016 from: <https://data.oecd.org/emp/labour-force-participation-rate.htm>

Removing means tests works precisely because it reflects the universality of a basic income. Likewise, if the pension were universal, then the justification for the very expensive and unequal tax concessions for superannuation would be far weaker. Notably, New Zealand's universal pension is coupled with more effective and fairer taxation of voluntary retirement savings. Indeed, closing the super loop holes would more than pay to universalise the pension, and even to lower the eligibility age, edging us closer to a general UBI.¹⁶ In a world of growing wealth inequalities, a more universal approach to taxation and pensions can deal with the real issues of inequality facing young people, without playing to a false 'generational war' that will likely leave vulnerable older people (mainly women) worse off.

Universality has political advantages too. It is no coincidence that campaigns to increase the rate of the age pension were successful under both Coalition and Labor Governments at precisely the same time other welfare payments were under attack. New Zealand's universal pension survived the 1990s, when other payments were slashed. Universality creates a much larger constituency of supporters. It also focuses attention on needs and common interests, rather than focusing attention on the 'undeserving poor'. Even though universal payments look like they benefit those on higher incomes more than means-tested payments, they often act to protect the poor from more serious political threats.

16 Ingles, D. and R. Denniss, *Sustaining us all in Retirement*, Australia Institute: Canberra, 2014.



Photo credit: CC by attribution—Flickr, Elizabeth Donoghue

“
A universal age pension would eliminate one of the biggest distortions in Australia's housing market.
”

Campaigns for a basic income therefore have the potential to re-frame the toxic debate around welfare. While ever welfare reform is focused on the most marginalised it will be difficult to ensure Newstart is adequate or to abolish expensive and demoralising forms of conditionality and surveillance. A basic income would do those things—but through a debate which focuses on collective problems, collective needs and the nature of life and work. And we know from other evidence it would likely be more effective at supporting paid work than our current policies.

Australians, however, have traditionally been sceptical of universalism. Means tested payments are the norm, and affluence testing does save money. There is an important political choice here about tactics. Means tests can be a way of clawing back some money to spend on other social programs. However, the current trend to freeze eligibility for family payments risk shrinking the constituency for these programs so much that they become vulnerable to more aggressive political attacks. Changes to increase the phase out rate for the age pension potentially make the exclusion of the family home worse—reducing housing affordability.

We still need jobs

Ensuring everyone has some income is crucial to maintaining dignity and reducing poverty. But advocating a UBI as an alternative to good quality jobs is a dangerous strategy. Nor can it be said that technology has meant the end of work (as it has consistently been predicted to do). Over the past 30 years the proportion of people working has increased (as women entered paid work and as the number of adults increased relative to children), from about 60% to 65% of all those over 15.¹⁷ The long trend of falling working hours has also reversed.¹⁸ At the same time, we are constantly told that we cannot afford to fund the jobs that make our lives better—in health, care and public works. Even with robots, we are a long way from running out of socially useful work.

Australia has a strong tradition of regulating work—and using that regulation to make life fairer. Creating jobs and ensuring those jobs are paid a just wage is politically popular, and so should be at the heart of any progressive strategy. In part this is also the flip side of providing needed public services. Rather than taking the dividend of higher productivity as cash, we should explicitly argue that productivity gains be used to fund more and better public services. That not only reduces the cost of living, it also creates real and meaningful work. The health and education sectors have been the main source of new employment since 2000,¹⁹ and have proven much more reliable (and less ecologically harmful) than mining. And while a UBI can help us to value unpaid labour, and give us choices about how we work, we should still insist that care work be properly paid and its skills recognised.

17 Organisation for Economic Cooperation and Development (OECD), *OECD Data*, Labour force participation rate, 2016, accessed 2 December 2016 from: <https://data.oecd.org/emp/labour-force-participation-rate.htm>

18 Bregman, R., *Utopia for Realists: The case for a universal basic income, open borders and a 15-hour workweek*, The Correspondent, 2014, Trans. E. Manton, 2016, p40.

19 Spies-Butcher, B., 'Reimagining NSW: how the care economy could help unlog our cities', *The Conversation*, 2016, accessed 2 December 2016 from: <https://theconversation.com/reimagining-nsw-how-the-care-economy-could-help-unlog-our-cities-62970>

If productivity means less paid work, then that too should be shared. Reducing working hours can create new permanent jobs, at least where unions are strong enough to ensure more people are employed to take up reduced hours. That is currently happening in Sweden, where trials of a four day week (or six hour day) have led directly to higher employment in trial sites.²⁰ We already know that shorter hours increase productivity; the countries with the shortest working hours have the highest productivity. In many jobs focus and attention fall significantly after six hours a day.

Working hours did not fall naturally. And it is no surprise that working hours stopped falling just as neoliberalism took hold; and it is no surprise this coincides with the privatisation and marketisation of social services, and increasingly punitive forms of public assistance. All three reflect the balance of economic and political power. Winning one goal should make the others easier. But winning any will require sustained campaigning and solidarity.

Looking to a UBI as a short cut, to create consensus and avoid opposition, or to substitute for other struggles, will not deliver the kind of reform we want. A UBI capable of doing everything would likely face even more political resistance than campaigns for public services or shorter hours. UBI is part of the answer, but only if it builds on a broader project for social change.

20 Crouch, D., 'Efficiency up, turnover down: Sweden experiments with six-hour working day, *The Guardian*, September 17, 2015. Accessed 2 December 2016 from: <https://www.theguardian.com/world/2015/sep/17/efficiency-up-turnover-down-sweden-experiments-with-six-hour-working-day>

A Universal Basic Income: Economic considerations

Introducing a Universal Basic Income (UBI) deserves careful attention and discussion. It would be a significant change in public policy, impacting on how individuals relate to work and welfare and having broader implications for economic security and distributional equity.

Always and everywhere, economic conditions constrain social possibilities. That, historically, has been the rationale for officially prioritising economic growth—seeking to roll back the economic constraints by producing ever more goods and services, generating higher incomes, eliminating poverty and creating more comfortable lives. However, it is increasingly recognised that this relentless growth process is neither effective nor sustainable. Rather, it buttresses a capitalist system in which the drivers are the pursuit of profit, prioritising the private accumulation of capital at the expense of broader social goals such as security and equity. We have now reached a stage, in developed nations like Australia at least, where the relationship between economic means and social ends needs fundamental reconsideration. Should the primary policy focus be shifted from growth to security, equity and sustainability? Could we do better in achieving work-life balance? Would a universal basic income be a basis on which these changes could be developed?

This overview of the issues looks at: (1) the economic conditions that now appear to make a UBI feasible and desirable to implement; (2) general economic implications of introducing a UBI; and (3) some dilemmas and limitations of a UBI that need to be considered from a political economic perspective.

A policy whose time has come?

Economic conditions favourable to the introduction of a universal basic income

We live in an affluent society, albeit one in which the wealth is unevenly distributed and unbalanced between public and private purposes (what JK Galbraith called “private wealth and public squalor”).



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“
We have wealth on a scale unknown to previous generations, but we now need to distribute it more equitably and use it more wisely
”

We have wealth on a scale unknown to previous generations, but we now need to distribute it more equitably and use it more wisely. We can collectively afford social policies, such as a UBI, that would have been impractical in previous eras. The current low-inflation environment is propitious because it does not have the macroeconomic stresses that were evident when UBI was previously being widely discussed in the 1970s and 80s.

Second, technological change is continuing apace, challenging conventional categories and expectations of industry and employment. This creates anxiety about the future of work and the prospects of technological unemployment. It raises questions about how the high productivity of a technologically sophisticated economy can be used for public social benefit. It invites consideration of political economic alternatives, such as UBI, that challenge conventional assumptions about continuous full-time waged employment as the principal means of generating income.

Third, we need policies to rein in the increasingly unequal distribution of income and wealth if we are to maintain some degree of social cohesion and avoid the myriad social problems that are exacerbated by economic inequality. Thomas Piketty's blockbuster book has documented the growing wealth inequality that prevents further economic growth from benefitting the bulk of the people. Recent research by the Evatt Foundation also shows that wealth inequality in Australia is large and growing. Other international research by social scientists such as Wilkinson and Pickett shows the adverse social consequences. 'Trickle-down' economics has failed: we need more actively interventionist redistribution to create a broader spread and common stake in economic wellbeing: a UBI would help provide the necessary income floor.

Fourth, there is a case for simplifying the arrangements by which a social safety net is provided. The welfare state has grown over the last six decades to meet a variety of social needs and intentions. This has produced complex provisions, usually means-tested, for determining entitlements and payment levels. Australia has one of the most targeted social policy arrangements in the world. The question now arises as to whether a UBI might provide a means of creating desirable simplification of these complex arrangements.

Finally, economic freedom could be enhanced by providing a basic income that enables people to pursue their personal interests and inclinations. This is a view propounded on the libertarian right by the notoriously right-wing economist Milton Friedman, for example. It has also been advocated by social scientists on the political left, such as Erik Olin Wright, who regard a UBI as a key instrument for 'eroding capitalism' because it would give people more freedom to choose alternatives to conventional waged work.

Can we afford to do this: can we afford not to?

Economic implications of universal basic income

The question of how to fund a UBI is fundamental. General taxation is the obvious revenue source. Depending on the level at which the UBI were set and the extent to which it replaced other welfare payments, it would comprise a substantial share of total government spending, probably somewhere in the \$100 billion to \$300 billion range annually.

Consideration could be given to funding it out of a particular earmarked revenue source. Inheritance tax is one such possibility that might be appropriate (as a means of establishing more inter-generational equality of opportunity). However, to generate anything like adequate revenue, such a tax would need to be imposed at a higher rate and with a lower wealth threshold than considered in any previous inheritance tax discussions within the Australian political discourse.

The question of affordability is also closely linked to the question of macroeconomic impacts. If having a UBI were to reduce the GDP, because of an adverse effect on the incentive to work, that would exacerbate the affordability problem. Our capacity to predict these macroeconomic outcomes is limited. Much depends on potential efficiency-equity trade-offs. Would a UBI impair economic efficiency because of a reduced incentive to undertake paid employment? If so, would that mean that the size of the economic cake to be shared would be smaller, albeit shared in more equitable portions? Orthodox economic assumptions about a general equity-efficiency trade-off have been challenged in recent years, not least by research undertaken within the International Monetary Fund and OECD, but careful analysis, perhaps based on experimental trials, would be needed to identify the specific effects likely to arise from a UBI.

Similar considerations apply to the question of whether a major ongoing public expenditure commitment like UBI would exacerbate the tendency towards government fiscal deficits. The cyclical character of the capitalist economic system needs to be considered in this context. Because a UBI would be an expenditure commitment that is on-going whatever the state of the economy, there is a potential problem of funding it from more cyclically

volatile revenue sources. Cyclical variations in budget deficits are already a feature of public finance but could potentially become more pronounced with a UBI. If so, this result would be an excellent short-term cushion against recession. Less positively, it could increase uncertainty about the longer-term sustainability of a UBI.

The devil is in the detail

Some dilemmas and limitations of a Universal Basic Income

Generalising about the likely economic effects is made difficult because much depends on the level and form that a UBI might take. UBI proponents internationally have suggested numerous, diverse models. Some, such as British economist Tony Atkinson, have proposed a one-off capital grant payable to young adults (for example, at around the time they might be seeking to start a business or buy residential property). More typically, a regular lifetime citizens' income is advocated. But set at what level? At the official poverty line, or lower? Means-tested or payable to all 'as of right'? And replacing other welfare entitlements or not? The more universal the scheme the more clearly established would be the underlying social principle but the higher the expenditure commitment.

Similarly, the net cost of the scheme to the public purse would depend on whether some of the expenditure would be 'clawed back' through the rest of the tax system. If the UBI were paid to all citizens irrespective of their income from other sources, the initial gross outlay would be offset by the GST component in the additional consumer spending. If UBI were included in taxable income, there would also be substantial offsets through higher income tax revenues, thereby reducing the net cost.

Another consideration is how we, as a society, value the unpaid work that UBI recipients might undertake as a result of being partially freed from the imperative of waged labour. To the extent that this would contribute to a healthier and more flourishing society and polity, it is what orthodox economists would call a 'positive externality'. It needs to be considered in a broad social cost-benefit analysis of a UBI, set against any negative impacts of the policy on the incentive to paid work.

From a green perspective, another interesting question is whether UBI would make any positive contribution to environmental economic concerns. Proponents of an ecologically sustainable 'steady state economy' might well be predisposed to embracing it as a policy consistent with taking our foot off the economic growth accelerator. However, there is a potential downside, because there would presumably be no control over how the recipients of UBI payments would spend their money (unlike, for example, rationing systems such as the 'food stamps' or subsidised public housing). Indeed, this somewhat libertarian character of UBI may be seen as being at odds with green concerns to challenge unsustainable consumerism.

Finally, it is also pertinent to note the opportunity cost of the high level of expenditure on the UBI. All forms of public (and private) expenditure have costs in terms of the opportunities thereby foregone. If a UBI is at the expense of public spending on infrastructure, public housing, public education or other public

services the pros and cons would need to be carefully assessed. A cost-benefit analysis of these alternatives would not necessarily favour the UBI option.

Conclusions

There is inevitable uncertainty about the economic consequences of a UBI in the Australian context, depending upon its form and implementation. However, these uncertainties are not a reason to eschew further investigation. Indeed, research is currently being undertaken on the political economy of the UBI and more is needed on costing alternative UBI arrangements and modelling the possible macroeconomic consequences of a UBI under a range of different assumptions and scenarios. Ultimately, however, it must be a political judgment, as is the case with most economic questions.

Meanwhile, the UBI proposal is important to consider because it raises a wide range of economic and social issues that we, as political progressives, should be discussing anyway. It directs our attention to the all-important questions of ends and means: 'what sort of society do we want?' and 'how should we restructure our economy so that the desired social outcomes can be achieved?'



Goin' where the weather suits my clothes

How might a Universal Basic Income (UBI) and shorter working hours interact with challenges facing democracy, civil society and community engagement?

Everybody's talking about it ...

Brexit and Trump have done for democracy what Occupy did for inequality—everybody's talking about it.

That's the refrain that keeps looping in my head—everybody's talking about it. And I keep coming back to it like an annoying lodestar.

So I look it up and am reminded it's a Harry Nilsson hit—“Everybody's talkin’”.

Satisfied, I go back to writing. But something keeps drawing me back to those lyrics:

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*

*People stop and stare
I can't see their faces
Only the shadows of their eyes*

*I'm goin' where the sun keeps shinin'
Through the pourin' rain
Goin' where the weather suits my clothes*



Louise Tarrant is a lifelong unionist having worked for many years as a representative of United Voice members—unionists working in low waged jobs in the cleaning, aged care, early childhood, security and hospitality sectors. Louise is currently participating in A24—a project spanning social movements that seeks to envision, expand a discussion about, and build the capacity to win, a just and sustainable future. She is also on the Board of the Climate Action Network and Greenpeace.

They make me pause. These lyrics somehow fit because, fundamentally, democracy is a story about people. Yes, it's also about polls, voting systems and candidates—but that's just the mechanics. At its heart, democracy is about people coming together as a community to be heard, to debate, to be represented, to share the hardships and the good times and to have their collective ambitions realised for a better life. It is an intensely human endeavour and a collective one.

But what happens when people's stories get lost?

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*

What happens when people feel cut loose—facing the future on their own?

Sometimes people organise.

Sometimes people retreat.

Sometimes people look for champions ... for rebels who see them, or at least touch their anger. And suddenly people who have been absent from the political spotlight assume centre stage in unexpected ways.

*People stop and stare
I can't see their faces
Only the shadows of their eyes*

But is the moment fleeting, or is their shout-out a pivot point?

Arguably there have been several seminal pivot points for western democracies in the last 70 years.

First pivot: People before capital

After two World Wars and a Depression, social democracies embraced a political agenda that put people and their collective aspirations at its heart. A social compact with capital was forged that promised shared prosperity, full employment and a properly funded welfare state.

*I'm goin' where the sun keeps shinin'
Through the pourin' rain
Goin' where the weather suits my clothes*

That's how people must have felt: a grand vision that made space for people to raise families, rebuild lives, work with dignity, and embrace the future with optimism.

Yes, it could have gone further and it certainly wasn't without contest, but the spectre of communism and the constant push of an organised labour movement kept employers engaged and social democratic parties rooted.

It was no accident that three decades of economic growth ensued, and as the Saez-Piketty graph attests, the shift in income to the top flatlined and everybody's boat did indeed rise.



Second pivot: People to people

An extraordinarily short pivot of just a few years stormed the Australian polity with the Whitlam government in the early 1970s. I remember attending a function where a whole raft of ALP members were being recognised for their 40-year party membership. Without fail they talked of the excitement of that period: new thinking; embracing people focussed change such as healthcare, education, family law, urban planning. That is what drew them into political activism.

*I'm goin' where the sun keeps shinin'
Through the pourin' rain
Goin' where the weather suits my clothes*

Third pivot: Capital before people

But, just as "Everybody's Talkin'" was topping the charts in 1970, capital was getting organised, particularly in the US and UK, around an alternate agenda—one based on market values and market freedoms. Money, not people, was at the heart of their story.

Many governments embraced this shift and a new era—neoliberalism—was born.

The next 40 years were to be characterised by aggressive pursuit of:

- **Deregulation**—particularly of labour, environmental, trade and finance laws—basically anything that got in the way of the 'free' operation of the market;
- **De-taxation**—intended to both shift the tax take from businesses and the wealthy and starve state coffers;
- **Privatisation**—selling off public assets and opening up of 'new markets' for private business;
- **De-collectivisation**—breaking unions and undermining other advocacy organisations;
- **De-politicisation of the public**—individualising issues, shifting risk from employers to workers, equating citizens with consumers, offering choice in lieu of agency; and
- **Politicisation of business**—financing of elections and deep lobbying with governments.

The social compact was torn up. People became commodities in a marketplace.

Fourth pivot: Capital doubles down

Then, in 2008, we saw the ultimate failing of that neoliberal economic contract—a contract that had mandated a reduced role for government in stabilising markets and increased freedoms for capital to operate at will.

In its wake came austerity.

Ever since, millions of people across western democracies have paid the price—jobs cut, homes repossessed, savings gutted, retirement deferred. As tax payers bailed out business, an acceleration of the wealth transfer from workers to capital proceeded. This pivot point is particularly important because, instead of becoming a pivot point of resistance and rebalancing, it has actually seen governments deepening their commitment to a failed strategy.

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*

But perhaps the biggest loser from the last few decades has been democracy itself. Understanding this is key to us organising for the next pivot point.



“
‘Efficiency, flexibility, growth’ became the new language of political leadership, while the lexicon of fairness and rights was discredited or lost.
 ”

The hollowing out of democracy

I would argue that social democratic parties giving primacy to their partnership with capital over the last 40 years has fundamentally weakened core tenets of what makes for a healthy mass democracy.

Listed below are five areas of deficit—with two themes resonating throughout:

- the de-politicisation of politics; and
- the effective exclusion of citizens’ voices from the polity.

1. Champions lost

People saw political leaders and social democratic parties morph into economic managers rather than political champions of the public interest. ‘Efficiency, flexibility, growth’ became the new language of political leadership, while the lexicon of fairness and rights was discredited or lost.

Everybody’s talkin’ at me...

2. Loci shifted

Not only was the supposed level playing field tilted to the capital class, but the playing field itself became harder to find. The previous rules of the system were clear—distribution got decided with employers at the bargaining table, and with political parties at the ballot box. There were rules, and people had rights and

a role. But this period saw decision-making shifted to new arenas: the finance sector, global corporations, ratings agencies, Corporate Social Responsibility (CSR) policies—places and processes in which workers and citizens had few rights or pathways.¹

Everybody's talkin' at me

3. Muscle eviscerated

Unions, instead of being seen as social partners in the raising of standards, became the enemy. Governments did the bidding of business, erecting barriers to workers organising, bargaining, taking action and having their say. Union density took a hit; bosses were ascendant.

And, as labour specialist Professor John Buchanan reminds us, despite productivity doubling over this period, 10% of GDP shifted from workers' pockets to the pockets of employers and investors.²

At the same time as union solidarity was being attacked, so too was the capacity of civil society to organise and advocate. Bearing witness and speaking out became seen by political leaders as treason rather than civic duty.

Everybody's talkin' at me

4. Responsibility internalised

Personal effort and merit became the new gospels. People became responsible for themselves. The personal replaced the systemic. Fault replaced chance. Social issues become a family's own dilemma. People were partitioned; issues individualised. What happened to society?

According to Margaret Thatcher, it didn't exist. It was all about the individual:

I think we have gone through a period when too many children and people have been given to understand "I have a problem, it is the Government's job to cope with it!" or "I have a problem, I will go and get a grant to cope with it!" "I am homeless, the Government must house me!" and so they are casting their problems on society and who is society? There is no such thing!³

Life was no longer a shared endeavour but a lonely solo crossing. Fundamental issues of distribution were personalised and, in so doing, de-politicised.

Everybody's talkin' at me

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- 1 Streeck, Wolfgang, *Buying Time—the delayed crisis of democratic capitalism*, Verso, London, 2014 p.46.
 - 2 Buchanan, John, "A New model for fairness in employment", *Australian Options Magazine*, May 31, 2014, no. 76 <http://www.australian-options.org.au/2014/05/1596/>
 - 3 Margaret Thatcher: Interview for *Woman's Own* ("no such thing as society") Sep 23 1987 <http://www.margarethatcher.org/document/106689>

5. Society 'disappeared'

The ultimate loss of humanity must be the loss of community and that was central to neoliberalism's DNA. Possibly the best (and sobering) illustration of this is the response of Alan Greenspan (the then Chair of the US Federal Reserve) to a question in 2007 about which candidate he supported for the US presidency: "We are fortunate that, thanks to globalization, policy decisions in the US have been largely replaced by global market forces. National security aside, it hardly makes any difference who will be the next president. The world is governed by market forces."⁴

Everybody's talkin' at me

It is not surprising that Robert Reich's latest book, aptly titled "Saving Capitalism", ends by asserting that the critical debate for the future is not about technology or economics or even the size of government but about democracy itself: "about who government is for."⁵

Transformational opportunity

And so, we enter our next pivot point, at the vortex of three wicked problems playing out:

- growing inequality impacting social cohesion and democratic controls;
- automation creating challenges to how we work, live and play; and
- climate change forcing a radical refit of our energy, transport, production and consumption systems and practices whilst responding to ever increasing climate crises and their impacts.

If ever we needed an effective democracy it is now!

Left to market forces alone, some will do very well from this disrupted new world, but most won't.

*I can't see their faces
Only the shadows of their eyes*

This paper takes the second of these issues—automation—to consider both democracy's role in responding to its challenges and to a consideration of some specific responses, like a Universal Basic Income and shorter paid working hours.

Ideally, we need active government engagement to lead the discussion about the future—about the threats and opportunities automation presents.

⁴ Streeck, Wolfgang, *Buying Time—the delayed crisis of democratic capitalism*, Verso, London, 2014, p85.

⁵ Reich, Robert B., *Saving Capitalism—for the many, not the few*, Vintage Books, NY, 2015 p.219.

We need:

- Rules for how these changes can work—with the interests of people and planet central;
- Governments prepared to confront capital to argue in the interest of their citizens; and
- A new social compact—and what better way for a democracy alienated from many of its citizens to engage, to listen and learn, to debate and ultimately to lead on a plan for the future.

This is a critical pivot point for democracy—it can remain the friend of business and leave its citizens to battle on or it can refocus on its purpose:

- Its purpose as a social democracy not just a nation state,
- Its purpose to limit and civilise market influences so that people's collective interests and the planet's limits are respected and adhered to.

*I'm goin' where the sun keeps shinin'
Through the pourin' rain
Goin' where the weather suits my clothes*

The second question, then, is capability.

Even assuming the political will exists, is there the capacity to push capital back into its box? Particularly given:

- the global nature of big corporations;
- governments' reliance (particularly at times of high debt) on capital markets and the threat of capital flight or capital strike; and
- the weakened state of countervailing forces like the labour movement and other forms of civil organisation.

Herein lie some pretty big challenges.

But a community facing a radical assault on their lives and livelihoods, given the opportunity and support to rediscover their agency, could do so to great effect.

Never underestimate our community's capacity to care—particularly about the next generation. YourRights@Work in 2007 was a seminal lesson for me. Yes, many workers and their communities galvanised around a message of rights and solidarity, but the most compelling voice was in support of young workers. The community wanted protections for young workers, but they wanted life chances for them too—the opportunity that many older workers had had to buy a home, raise a family, retire with some security all because they'd had a decent job and benefits.

It's the story underpinning much of Australia's prosperity—this 'wage earner welfare state' where decent jobs, delivered through a regulatory framework, minimum wage-setting and union organisation combined with the social wage and social security system to deliver a decent life. Core to this mix was a decent job.

So a threat from automation to paid employment is a pretty huge issue!

Certainties in an uncertain world

The automation discussion tends to polarise people.

There's the camp that says paid employment is on its way out—and within that camp there are those that celebrate that and others that decry it.

Then there are those that argue it's too unknown to conjecture. They tend to be the same people who tell us not to worry, that these disruptions have some inbuilt equilibrium that will sort itself out ... eventually.

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*



“
**... a threat from
automation to paid
employment is a
pretty huge issue!**

”

This latter view is particularly insidious as it:

- denies people's justified concerns;
- provides false comfort because, even if new jobs come, there will be a deep and painful transition potentially resulting in a whole lost generation or two; and
- denies people any agency to engage early to shape these new changes.

But it is true that there are a lot of unknowns when it comes to this debate. So, what do we know?

1. Moving from muscle to mind

As one typology explains we've had three phases of automation:⁶

- The 19th century saw automation replace the dirty and dangerous;
- The 20th century replaced the dull; and
- The 21st century will replace decisions

It is this transition from muscle to mind replacement that makes this technological change so impactful. There are a number of studies now available on the likely impacts, and CEDA's recent Australian study is consistent with these. CEDA estimates at least 40% of existing paid work have a 'high probability' of replacement in the next 10–15 years.

2. Automation is both an accelerant and accelerating

We know the rate of change is accelerating—and its pathway is exponential rather than linear. While regulators try to deal with Uber drivers, Uber is already trialling driverless cars.

3. Workerless business models on the rise

The new business models that technology enables are also very different: they're predicated on mass reach—preferably via monopoly positioning; they are essentially worker-less;⁷ and they provide a platform for others to transact and/or interact. Experience to date also suggests that these mega businesses will attract the investment dollar over plant-and-people businesses. These businesses tend to favour tax havens over tax payments. And they already control key parts of the democratic commons. Compare 1990 when the top three carmakers in Detroit had a market capitalisation of \$36 billion and 1.2 million employees to 2014 when the top three firms in Silicon Valley, with a market capitalisation of over \$1 trillion, had only 137,000 employees. That's thirty times the value and one tenth the workforce!⁸

6 Davenport, Thomas H, and Julia Kirby, "Beyond Automation", *Harvard Business Review*, June 2015.

7 Stern, Andy with Lee Kravitz, *Raising the Floor—how a universal basic income can renew our economy and rebuild the American Dream*, Public Affairs, NY, 2016 p.66–7.

8 A Giant Problem: the superstar company, *The Economist*, September 17, 2016
<http://www.economist.com/news/leaders/21707210-rise-corporate-colossus-threatens-both-competition-and-legitimacy-business>.

4. *We don't do transition well*

Just ask one of the tens of thousands of clothing, textile or footwear workers that lost jobs as tariffs were removed over the last 30 years in Australia. Studies show more than a third never worked again. And the remainder went from full time permanent jobs to a lifetime of insecurity moving between casual and intermittent jobs at rates much higher than the workforce average. Government support often lined employers' pockets but did little to rebuild people's working lives. We need to do better.

5. *We over-valorise paid work*

Paid work has not just become an activity in which many engage—it has come to define a person's worth. UBI specialist Simon Birnbaum⁹ captures well the rhetoric we hear constantly in public narratives:

- always better to have a job than an income;
- any job is better than no job; and
- if not part of 'productive economy' mustn't be productive.

It is the propagation of this type of framing that gives political leaders and the media license to demonise and stigmatise people who can't access work and it reinforces the undervaluing of other important work in the family and society—simply because it isn't paid.

The CEDA Report indicated a potential 40% job displacement. Let's say its only half as bad as they suggest—20%. In the 'best case' scenario that's one in five paid jobs gone—and don't forget, that's on top of the 16% of Australian workers already unemployed or underemployed.

This is a crisis-in-the-making.

We don't have a welfare system fit, designed or funded to cope; we don't have the tax base to respond; and we currently have no political leadership on the issue from governments. Where's the community conversation about how we shape his change, how we soften the transition, how we lead the fightback for a different type of mixed work-leisure society?

A new social compact?

In "Saving Capitalism", Reich gives us a timely reminder that we have a choice between a market "organized for broadly based prosperity" or one whose gains reside with the top. Despite nearly forty years of being schooled in the TINA—there-is-no-alternative—principle, Reich reminds us that "The market is a human creation. It is based on rules that human beings designed."¹⁰

⁹ Birnbaum, Simon, *Basic Income Reconsidered—Social Justice, Liberalism and the Demands of Equality*, Palgrave Macmillan, NY 2012 p.60.

¹⁰ Reich, p.218.

It's a timely reminder that people and governments have agency. A workless future is not immutable. Technology is a tool and it can be shaped or responsive to different demands or rules. Driverless cars, for example, could reduce car ownership, interacting efficiently with public transport systems to revolutionise city planning, commute times, carbon footprints, quality of life. Alternately, driverless cars could add to cars on the road, their cheaper economics could undermine investment in public transport systems and so make city living that much more polluting and unliveable.

It's important we talk about what's coming and shape the guiding principles for the change we want to see—for the world that focusses on people and planet first.

Two propositions that could be part of a New Social Compact, that particularly respond to the impact of automation on paid employment, are shorter hours and a UBI.

1. *Work less rather than workless*

Keynes foresaw dramatic reductions in paid working hours as a sign of great societal advancement. He projected that the standard of living of the western world would multiply at least four times between 1930 and 2030, by which time people would be working just 15 hours a week. He is partly right—by 2000, countries like the UK and US were already five times as wealthy as in 1930.

Keynes saw increased leisure as a 'prosperity dividend'. Counterpoise that with the question Juliet Schor poses: "Why has leisure been such a conspicuous casualty of prosperity?"¹¹

One of the earliest organising victories of the Australian union movement, with societal reverberations, was the winning of the eight-hour day in the mid-1850s. Importantly, it was framed in the context of eight hours work, eight hours sleep and eight hours recreation.

One hundred and sixty years on, how has our increased wealth translated into paid working hours and a better balancing of life?

In Australia, we now have a very gendered and bifurcated labour market:

- five million Australians, mainly men, work more than 40 hours per week;
- 40% of female workers work part time hours; and
- 16% of workers are underemployed or unemployed.

Assuming automation will have a big (maybe even massive) impact on paid work, one response would be to look at how paid hours could be more fairly distributed. Even if you a UBI, most people will still want, and need, to engage in some level of paid employment.

¹¹ Gini, AI, *The Importance of Being Lazy—In praise of play, leisure and vacations*, Routledge, NY, 2005 p.83.



“
**In Australia, we
 now have a very
 gendered and
 bifurcated labour
 market ...**
 ”

There are a range of ways to curtail hours:

- Cap maximum hours—although this would disproportionately impact male workers as they currently work longer hours;
- Have a more flexible approach to shorter hours—but this is more likely to increase wage inequality as it likely favours highly skilled and senior positions;
- Cut the number of working days in a week. Utah recently trialed a four-day week for government workers and, although the trial has since ended, it was liked by the workers and had appreciable and varied impacts from lowering the carbon footprint and reducing commute times to improving health outcomes for the workers involved; or
- Cut the hours worked per day. Sweden is trialling six-hour shifts in a few places. Early indications are that, like the Canadian Mincome trial of the 1970s, improved health and reduced use of medical services is a noted feature of the trial to date.

It's premature without a lot more analysis and debate to jump to conclusions on best ways forward. Clearly there are no easy solutions!

But what we can say is:

- This is a political issue—not simply the problem of individual workers trying to navigate a new labour market;
- It is, and should be treated as, a sharp distributional point of conflict which will have fundamental impacts on equity and power in this country; and
- It shouldn't be left 'to the market to decide'.

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*

2. A Universal Basic Income

A UBI can be all things to all people.

For the libertarian right it's a dream come true—a single payment that extinguishes the welfare state. The ultimate marketisation of life—people use their voucher to buy insurance if they want to guard against unemployment or old age, purchase education or healthcare or whatever they choose to prioritise (assuming they can afford market prices). This view also calls for the eradication of labour regulation—particularly the setting of minimum wages and standards.

This is not a model of UBI conducive to a more equal and more cohesive society. But there is something compelling about the UBI—from both a rights and democratic perspective.

UBI as a right

Surely, central to being a member of a democracy is having rights for 'being' not just 'doing'. In that vein a 'citizen dividend'—a sharing in the national estate—could be very powerful.

However, how that right is expressed will be critical. In a world where paid work is likely to be reduced, people's reliance on the UBI for basic economic security will be essential—if not sufficient. The ability of governments to 'play with' the payment needs to be safeguarded against. Ensuring the basis for the right is guaranteed, e.g. in the constitution, needs to be explored further.

UBI and democracy at work

UBI has the potential to assist with both a re-purposing of democracy and a reorganisation of civic engagement.

Its very existence—a substantive and ongoing redistribution of income—will create sharp conflict between implementing governments and capital. Funding a 'reasonable rate' will require new and increased taxes from those capable of paying more. But herein also lies its weakness: reining in global corporations, regulating against tax havens, and reversing the downward trend in tax rates for corporations and the mega wealthy, will be challenging for single nation states. New demands for global interventions and regulation will need a lot more thought.

But government need not fight the battle alone, and indeed can't win if they do so.

UBI creates a form of 'community wage setting'. In any bargain over wages, people need to be organised to win and protect a fair share. So, whilst UBI has many dangers for organised labour (built largely around a workplace based bargaining model) and current civil society organisations (many of whom exist within the current welfare state model), it could be the source of new community engagement and organising.

There will certainly be a lot at stake!

There are also pragmatic issues whose resolution will be key to whether UBI is both workable and acceptable. We should not rush to embrace or dismiss UBI without the exploration of these pre-conditions, parameters, safeguards or rules. At this early stage of the debate, a few matters jump out:

Quantum matters

The level at which a UBI is set will determine whether it's just another supplementary payment or a real subsistence income.

Special need matters

Although the UBI could replace much of the current social security system, there would still be services (like job seeking support) and payments (like special disability support) that would need to continue.

Minimas matter

Regulation of the paid wage sector would still be required—particularly the level of the minimum wage. This will be the effective benchmark against which the UBI quantum is set, so it's critical to maintain its value.

A primitive type of UBI, known as the Speenhamland System, was trialled back in 1800s England when the local magistrates decided to give peasants a basic stipend to top up their wages. Unfortunately, the absence of wage regulation simply meant employers dropped wages and ultimately the stipend was abandoned because it was driving people further into poverty. No regulated wages floor, in the context of a large 'reserve army' of people looking for paid work, would see the same outcome repeated 200 years on.

Employment matters

A UBI shouldn't mean we give up on paid employment. It would still be incumbent on governments and key institutions (like the Reserve Bank, Fair Work Australia etc.) to prioritise employment in their objectives and policy directions. UBI will only be a base—not even close to the current minimum wage on which working people already struggle to make ends meet. Most people will still want or need to look for paid employment.

Portability matters

Given the likely prospect of people working a number of tasks or projects with a multiplicity of employers—rather than a single job with a single employer—new systems will need to provide for the

collectivisation of employment entitlements like annual leave and sick leave. Without this, there will not only be a significant diminution in people's wages but conditions too. That means a big shift in risk and cost to workers, as UBI would basically be a subsidy to employers who no longer were required to provide these types of entitlement. New thinking about portability schemes is required.

Housing matters

Piketty's analysis of the growing accumulation of, and power of, capital gives us pause in any discussion that envisages a reduction in paid employment and its replacement with a likely lesser UBI. A net reduction in income for many and more precarious work will presumably impact negatively on housing prices, and therefore lead to wealth reductions for many. But it will also be a struggle for those not in the housing market to access loans or be in a position to handle high levels of debt.

When even Ben Bernanke, the former Chair of the US Federal Reserve, was refused a bank loan, what hope will most people have to ever get into the housing market? And this has historically been the route for working people to build a small wealth store and security for their old age. With housing already increasingly beyond the reach of many—particularly younger Australians—this piece of policy needs some radical and innovative thinking.

Retirement matters

Retirement incomes will also need re-thinking. A decrease in paid working time and income will have a big impact on workers' capacity to build superannuation accounts. What does this mean for retirement incomes and, more broadly, what does a world of reduced work potentially mean for the current increases in retirement age?

Non-citizens matter

In Australia we have nearly one million workers of various visa and non-citizen statuses. They will not be covered by a citizen-linked UBI. What are the protections and regulations required to ensure we don't create a further sub class?

This list is by no means exhaustive, but it shows how the devil will be in the detail for a UBI. A single unconditional payment to all citizens will not be a silver bullet, but it could be an important buffer against widespread poverty resulting from reduced paid work and a failing welfare state.

Summary

The future is looking increasingly challenging and the solutions complex. This paper has only touched on automation and hasn't even considered the impacts of climate change or growing inequality. But the question is clear: do we have the leadership and organisation that will enable people to help understand, debate and shape that future?

It could go either way. The form, in recent decades, of social democratic parties—their short-term horizons, capture by market thinking and tendency to follow not lead—justifiably gives us pause. But the scale and nature of the changes coming could also be the catalyst for a re-engaged community that pushes our politics in new directions.

Key to those new directions will be new thinking about how we deal with the impacts of new technology on paid work and how we rethink the precepts of the welfare state. Specific measures like UBI and shorter working hours may well be part of the eventual mix.

But it is 'how' we get there rather than 'the what' that will be most critical in shaping the future. And, at the heart of 'the how' is whether citizens' stories, fears and ambitions are seen and heard, whether they are part of the debate and part of the shaping. Will it be a mass democratic response or will everyday folk be passed over? Will political failure mean their exclusion and allow capital to write the new playbook? That would surely write the epitaph for social democracy as it was envisaged and sow the seeds for a shift to a more authoritarian politic.

*Everybody's talkin' at me
I don't hear a word their sayin'
Only the echoes of my mind*

The struggle is to create a new future—a home where people and planet come first:

*I'm goin' where the sun keeps shinin'
Through the pourin' rain
Goin' where the weather suits my clothes*

The emancipatory potential of a Universal Basic Income

The nature of work is changing, challenging the dominant notion that a job leads to economic security. In a world of growing inequality and insecurity,¹ universal basic income is a proposal gaining renewed attention.

For a significant period of the 20th century, economic security in industrialised nations was underpinned by standard working arrangements—full time well paid jobs—and a universal social security safety net. Since the 1970s and 80s, both these pillars for prosperity have been undermined and fractured by government policy, globalisation and technology.

Employment insecurity is now a feature for many workers across the Australian economy. The ACTU estimates up to 40% of the workforce is in insecure employment via casualisation, independent contracting, labour hire and other forms of work that places workers in a vulnerable position.² Furthermore, there is significant underemployment coupled with stagnant wage growth. The ‘uberisation’ of work is seeing the economic risk of business shifted onto workers.

In addition, technology and automation are predicted to replace significant parts of the labour force. Research has suggested over 40% of jobs that currently exist will no longer require human labour. While this does not mean there will be no jobs in the future—capitalism is good at creating jobs—the impact of technology raises the question of what kind of jobs will exist in the future, and what needs are those jobs meeting? David Greaber, in discussing his concept of ‘bullshit jobs’, argues that:

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- 1 Australian Institute of Employment Rights, Inequality and Insecurity: Discussion Paper, October 2016, <http://www.aierights.com.au/wp-content/uploads/2016/09/Inequality-and-Insecurity-Discussion-Paper-2016-McCallum-Debate.pdf>
 - 2 Australian Council of Trade Unions, Independent Inquiry into Insecure Work in Australia, May 2012, <http://www.actu.org.au/our-work/independent-inquiry-into-insecure-work-in-australia>



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[T]echnology has been marshalled, if anything, to figure out ways to make us all work more. In order to achieve this, jobs have had to be created that are, effectively, pointless. Huge swathes of people in the Western world spend their entire working lives performing tasks they secretly believe do not really need to be performed. The moral and spiritual damage that comes from this situation is profound. It is a scar across our collective soul.³

Guy Standing has sought to define an emerging class of workers as ‘the precariat’. Distinguished from the dwindling salariat—workers with employment security, retirement incomes and paid vacations, the precariat live “bits-and-pieces lives, without occupational careers and experiencing declining real wages.”⁴ The precariat lacks various forms of security including labour market security (access to decent work); employment security (protection against arbitrary loss of employment); job security (access to job stability and upwards mobility); work security (protection in case of accidents or illness); income security (adequate stable income); and representation security (possessing a collective voice in the labour market). Basically the precariat lack all the protections and securities that came from the post-war consensus and workers’ struggles. The precariat is growing and exists throughout the world and in all parts of the economy.

To now conclude, as John Buchanan has, that “employment is now the bearer of inequality and unfairness”⁵ is a stark break with the long-standing and dominant narrative that a job is the path to economic security. In such a world insecurity and inequality will continue to grow—and alongside it support for a renewed populist authoritarian politics—unless a new mechanism for providing basic economic security is implemented. Universal basic income is one such mechanism that makes sense in a world where a job is no longer the path to economic security.

What is work?

The intersection of automation, the digital economy and insecure work provides a compelling argument for universal basic income. However, the changing nature of work and intersection of insecurity and technology raises other questions. Given there was nothing inevitable about the what has happened to work in the last few decades, one question is whether it is possible, or desirable, to seek to recreate decent employment relationships and jobs that provide necessary levels of economic security? Is a goal of full employment a better option to pursue? Or is continuing to place employment as a central feature of our identity and society desirable?

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- 3 Graeber, David, “The Modern Phenomenon of Bullshit Jobs”, Canberra Times, September 3, 2013, <http://www.canberratimes.com.au/national/public-service/the-modern-phenomenon-of-bullshit-jobs-20130831-2sy3j.html>
 - 4 Standing, Guy, “The Growing Precariat: Why We Need a Universal Basic Income”, Singularity Hub, March 30, 2015, <http://singularityhub.com/2015/03/30/the-growing-precariat-why-a-basic-income-is-needed/>
 - 5 Buchanan, John, “A new model for fairness in employment”, Australian Options Magazine, May 31, 2014, <http://www.australian-options.org.au/2014/05/1596/>

“

... the most exciting aspect of the debate on UBI is that it opens up a discussion about how we conceive of work; and what value we place on what forms of work

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I think the most exciting aspect of the debate on UBI is that it opens up a discussion about how we conceive of work; and what value we place on what forms of work. UBI forces us to think about these questions. One of the critiques of UBI is that it is giving people something for nothing. Is it really? Aren't there already multiple ways we all contribute to our society all the time outside the narrow concept of paid employment?

Guy Standing argues for re-establishing the distinction between work and labour (paid work). Our society values labour over all other forms of work. This valuing is reinforced at every turn: how we measure economic activity; the lesser value we place on caring work; the rationale of our conditional and regulatory social security system that focuses on getting people back into jobs, regardless of the quality of those jobs.

Standing argues in *The Precariat: The New Dangerous Class*:

Work must be rescued from jobs and labour. All forms of work should be treated with equal respect ... One should not lose a sense of proportion. Labour is needed; jobs are needed. It is just they are not the be-all-and-end-all of life. Other forms of work and time uses are just as important.

Unless we insist on a richer concept of work, we will continue to be led by the folly of measuring a person's worth by the job they are doing and by the folly that job generation is the mark of a successful economy.⁶

⁶ Standing, Guy, *The Precariat: The New Dangerous Class*, London: Bloomsbury Academic, 2011, 160.

Our current economic system cannot function without unpaid work; something not new to feminists. But we live in a society that is structured around and values paid work. It is not for nothing that the first question we usually ask a new acquaintance is what do you do.

Kathi Weeks, author of *The Problem with Work: Feminism, Marxism, Antiwork Politics, and Postwork Imaginaries*, argues in a similar vein:

One of the reasons I am so attracted to the demand for a basic income is because of the way that it challenges some of the basic tenets of the work ethic—what I would describe as that cultural overvaluation of work that sings the praises of hard work as an inherent value, highest calling and individual moral obligation. This longstanding ethic of work remains a crucial ideological support for an economic system that accumulates great wealth for a few and lifetimes of poorly paid and all-consuming waged work for the rest ... Where a strong work ethic is a key element of productivity, our willingness to call these values and modes of being into question is a potentially effective mode of rebellion.⁷

Can we imagine a world that recognises and values all forms of work? What if we valued “work to reproduce, regenerate and conserve resources and communities, not jobs and labour that tend to deplete or eat up resources or that do nothing for the quality of life, in families, in communities”?⁸

Paul Mason, in *Postcapitalism: A Guide to Our Future*, makes a slightly different argument for a basic income and its relationship to work. He believes info-tech is fundamentally changing modes of production, making the abolition of work possible, and that it is only the social structure of capitalism that is preventing it. He argues “Work—the defining activity of capitalism—is losing its centrality both to exploitation and resistance.”⁹ Citing the Oxford Martin School study that 47% of all jobs in the advanced economy will be redundant due to automation, he argues a basic income will give people the chance to build positions in the non-market economy, for example volunteering, co-ops, or just existing. A UBI becomes the mechanism to redistribute working hours in a world where there will be too few to go around.

He argues that with a UBI:

... there would be no stigma attached to not working. The labour market would be stacked in favour of high paying job and the high paying employer. The universal basic income, then, is an antidote to ... “bullshit jobs”: the low-paid service jobs capitalism has managed to create over the past 25 years that pay little, demean the workers and probably don’t need to exist. But it is only a transitional measure for the first stage of the post capitalist project.

7 Cruz, Katie, “A Feminist Case for Basic Income: an interview with Kathi Weeks”, *Critical legal Thinking*, August 22, 2016, <http://criticallegalthinking.com/2016/08/22/feminist-case-basic-income-interview-kathi-weeks/>

8 Standing, Guy, “The Precariat and Basic Income”, Speech to Towards 2010: European Year for Combating Poverty and Social Exclusion, Naples, November 2009, http://www.guystanding.com/files/documents/forum_poverta_napoli_-_guy_standing.pdf

9 Mason, Paul, *Postcapitalism: A Guide to Our Future*, London: Allen Lane, 2015, 179.

The ultimate aim is to reduce to a minimum the hours it takes to produce what humanity needs. Once this happens, the tax base in the market sector of the economy would be too small to pay for the basic income. Wages themselves would increasingly be either social—in the form of collectively provided services—or disappear. So as a post capitalist measure, the basic income in the first benefit in history whose success measures is that it shrinks to zero.¹⁰

Regardless of whether we can join Mason in envisaging a utopia without waged work, the debate over a UBI can be used to advance a conceptual shift in our understanding of work. In severing the link between economic security and labour, a universal basic income opens up the potential to break down the illogical way our society values certain forms of productive labour over the many other varied ways we all contribute to our society and community.

Gender and work

Feminists have long pointed out that the capitalist economy cannot function without unpaid reproductive work, mostly performed by women. There have been broadly two responses to this: one has been advocating for women to engage in waged work on equal terms to men; the other to better value the work women do in the home and the community. Both these projects remain unfulfilled. There continues to be significant structural inequality in the paid workforce and our society continues to value labour over reproductive and caring work.

¹⁰ *Ibid*, 285.



As Kathi Weeks argues, there is no guarantee that the introduction of a universal basic income scheme would necessarily disrupt the gendered nature of work, both paid and unpaid:

The demand for a basic income does not directly address either the gendered division of household-based reproductive labour or its privatization. I can imagine scenarios wherein it would serve simply to offer more support for the traditional heteropatriarchal family's gender division of productive and reproductive labour, with more men participating in waged work and more women working in the home. I can also imagine it shaking things up more by offering both men and women the opportunity to experience their working lives a little differently and to reorient their relationships to their jobs and households accordingly.¹¹

While there remains the potential for a universal basic income to be a mechanism to break down the gendered nature of work, it is not inevitable. It is important that as the debate over UBI progresses we keep in mind the ways it can disrupt existing structural inequalities or just as easily reinforce them. In this way UBI should not be pursued separate from broader political objectives for a just and more equal society.

Labour market segmentation

One of the risks of UBI is further labour market segmentation, and not just along gender lines. If the amount of the basic income is set too low, a UBI could act to reduce wages, particularly for low-income jobs. It could essentially operate as a wage subsidy program.

Australia already has a large temporary migrant workforce. One in ten workers is a temporary foreign worker on a 457, study or backpacker visa. These workers are particularly vulnerable to exploitation as highlighted by the recent scandals on farms, 7/11 and Caltex.

The introduction of a UBI for citizens and/or residents without consideration of the interaction with the temporary foreign workforce could easily replicate the pattern of the prosperity and economic security of Australians being built on the back of the exploitation of workers via structural racism.

UBI and collective power

Putting Paul Mason's post-capitalist utopia to one side, the introduction of a universal basic income will not see jobs or paid work disappear. Instead, there is an argument that UBI could be a mechanism to create better, higher paid and more secure employment. Better working conditions have always come about because workers have fought for them. With a basic degree of economic security already provided, workers will arguably be in a stronger position to bargain for better working conditions.

¹¹ Cruz, "A Feminist Case for Basic Income: an interview with Kathi Weeks".

One of the key features of the current labour market and the world of insecure work is the collapse of the trade union movement. In Australia, union density in the private sector is around 11%. Most workers in insecure work have no collective voice in relation to their jobs.

Unions have been historically resistant to the idea of universal basic income. Unions are organisations of people whose identity is that of a worker engaged in productive labour. If a basic income has the potential to reconceptualise work and reduce the importance of an identity based on employment, this presents a challenge to existing union models. However, this model is already in crisis and requiring new responses to the changing nature of work.

There is a strong argument that a universal basic income will enable greater collective action, both in relation to jobs and labour conditions but also more widely in society. Standing argues that a basic income would “give people more control over their time, and enable them to bargain for a more dignifying pace of labour.”¹²

Conclusion

Universal basic income is no silver bullet. It cannot bring economic security for all or address income and wealth inequalities on its own. It has the potential to break down structural inequalities such as the gendered nature of work. However, if not implemented properly, it will do the opposite and reinforce these inequities. It has the potential to either undermine collective action or enhance it. It could lead to lower wages and a withdrawal of state services, if not implemented in such a way to avoid those risks.

As Kathi Weeks notes:

If it is established as a minimum liveable income, which is what I advocate, it could give employees a better strategic position to negotiate better working conditions, provide support for unwaged practices like caring work, allow some to opt out of waged work entirely or for a period, and lend some relief to the pressures that constrain our choices of family membership and household formation. If it is too low, then rather than providing workers with a stronger position from which to demand better jobs, it would serve only to subsidize low-wage employers by providing their workers with a small supplement. For me, this is one of the most critical issues to consider and one of the more difficult traps to navigate.¹³

The debate on UBI should not be limited to merely replacing the existing social security system in the age of insecure work. Instead, “the political movement for a basic income can be advanced as a way to open conversations about what counts as work, about the value of different kinds of work, and also about

12 Standing, Guy, *A Precariat Charter: From Denizens to Citizens*, London: Bloomsbury, 2014, electronic book, (Chapter 5; Article 25 Move towards a Universal Basic Income).

13 Cruz, “A Feminist Case for Basic Income: an interview with Kathi Weeks”.

what else besides work we might want to do with our time, what other models of care, creativity and cooperation we might want to build.”¹⁴ This is the emancipatory potential for universal basic income.

The debate towards a UBI needs to proceed from the idea of the type of society we want and how UBI fits as one of the mechanisms to achieve that vision.

¹⁴ *Ibid.*

Why a Universal Basic Income can address historic, gender and material inequities

Reclaiming social value, not just material pricing

Arguments for a Universal Basic Income in Australia face particular local cultural, economic and social pitfalls. Unlike many other western style democracies, the Australian welfare system of payments is non-contributory (i.e. paid out of general tax revenue), and we have no tradition of public equity entitlements. Instead, our means tested system for the working aged has a history of being a very limited adjunct to the paid employment deemed to be our main income source.

Oddly, both left and right parties have supported the model, arguing only about the details rather than the basis of entitlements. So our Anglo Australian political culture seems to share the classic protestant work ethic beliefs in the virtues of paid work, to avoid being bludgers. Changing these policy directions will encounter opposition as voters have been, and continue to be, encouraged to see changes also as a threat to retaining our low tax status.

My case for changing the paid work bias is based on wider traditions that recognise the value of widely diverse ways of living and contributing to the common good and personal wellbeing. The following arguments seek to redefine the limited valuing of some forms of cash exchanges to include many other forms of engagement and time use. These may contribute to wellbeing via relationships, public/communal roles, creativity, care for others and social obligations. The fact that these activities are mostly ignored or undervalued as not part of Gross Domestic Product shows how inequitable, sexist, and racist the current 'paid work plus conditional welfare' model has become.

This change of debate is urgent, given both the coming shifts of technology replacing labour for maybe 40% of current workers, and the need to reduce formal growth to save the planet. Including and valuing



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our many unpaid activities will be important to post industrial futures as they remain the core functions of making societies more civil via wellbeing goals with more equitable sharing of more limited resources.

I start by a necessary acknowledgement that the First Nations here, in all their diversity, have managed some 50,000 years of occupancy without formalising materialism and wage labour. While paid work and money income go way back in our various immigrant histories, it was the relatively recent industrial revolution that clearly defined both the power of capital, as investment, and of financial transactions as the public tokens of exchanges of time. This shift from agrarian, feudal, home production and hunter gathering social systems, to forms of mass production and colonisation, created the mass trade bases of today's post-industrial system.

This history created a range of inequalities: slavery, conquest, cultural domination and serious gender divides as paid workers and forms of governance became and continued to be mainly male domains. There were late 19th century moves to create reforms: abolish slavery, protect workers and regulate trade. Australia, then becoming a new nation, took on reform ideas for creating the so-called 'working man's paradise'. Our founding 'fathers' focused on ensuring male workers were entitled to a basic wage in the Harvester Judgement 1907, to cover a family of wife and two children. Women were paid two-thirds or less of the basic wage, and 'blacks' nothing, or maybe rations. The hierarchy of what counted was established as both white and male.

The social needs of care and domestic chores were to be met by women, who were supported by the family component of the basic wage, but Indigenous communal contributions were not accepted and often destroyed. The nascent feminist movement demanded the vote, followed later by the right to paid work; a move into male-defined spheres that inadvertently further devalued and obscured the mainly women's role in unpaid work in households. This narrow focus on paid work, and the later battles for equal pay, obscured over time the many other contributions of time that most women make, in varying proportions, to social well being. In the post war welfare era, there were more reforms made to fit the democratic nation states.

Recognising unpaid work as part of a Basic Income scheme

A range of radical changes to reduce the gender-biased historical focus on paid labour income as all that really matters, will assist people to create more appropriate mixes of paid and unpaid roles. If we accept officially that people are not essentially lazy or work-shy, we can change the current assumption that welfare payments need to be mean and stigmatising, with sexist and racist overtones. Removing requirements to search for paid work or prove incapacity, would enable many more people to feel value and return a sense of agency. These people are likely to put in time for communities, caring for people and country. The results are positive for both the individual and social quality of life.

Time use is a core issue in this debate. For every hour of male unpaid contributions, women offer nearly two! The ABS website offers the following facts:

Unpaid work fulfils many important functions that directly affect the well-being and quality of people's lives and covers a variety of activities such as voluntary work, domestic work, and caring for others. Unpaid work in the household and voluntary work in the community also make a substantial contribution to the national economy and to Australian society. The value of unpaid work in Australia has been estimated in [Unpaid Work and the Australian Economy, 1997](#) (cat. no. 5240.0) as equivalent to almost half (48%) of Australia's Gross Domestic Product.¹

This substantial contribution to wellbeing is grossly undervalued in public policy terms. The availability of a Universal Basic Income would increase incomes of those of us who already combine unpaid and paid work time, and allow others to increase their time out of paid work to contribute more unpaid time—hopefully men. It would also secure an income to those offering full time unpaid work. Given also an ageing population, policies should encourage more ability to mix paid and unpaid roles across the ages.

Given the expected changes to demand for labour and ways of 'employment', reform of welfare type payments is essential to support people in more precarious 'jobs'. These include the rise of contract and casual work, both in trade areas and the new 'sharing economy' which makes paid income highly precarious for those who have to

¹ Australian Bureau of Statistics, *Fact sheet: Measures of Unpaid Work*, <http://www.abs.gov.au/websitedbs/censushome.nsf/home/factsheetsmuw?opendocument&navpos=450>, accessed 28 November, 2016.



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offer their labour in many forms. It also makes it hard for those without paid work who may want to add to their incomes without being overly penalised. The distribution of paid work is very uneven. For some, mainly males, being 'at work' for long hours has become a status symbol, yet others have few or no paid hours. Access to a universal payment may reduce the gaps by legitimating shorter hours, as covered in other chapters.

Australia has been solidly partial to a means tested system

Welfare payments, as noted above, have always been limited and tightly targeted, grounded in historic sexist and racist inequities. Interestingly, Child Endowment was originally a universal payment to mothers, in 1942, as it was offered instead of a rise in basic pay. It was seen as an encouragement of population growth, so was not available to Indigenous people, to discourage their breeding.

The post-war welfare state offered unemployment payments and other benefits, added to by the reformist Whitlam government. He included payment for sole parents, not just widows, and offered a universal aged pension, as a down payment on entitlement reform. This was, however, not popular and disappeared soon after under the incoming changes that were to become part of reducing entitlements and taxes. Under Malcolm Fraser, Child Endowment became means tested family benefits, as part of welfare reform to cut family-based wage demands, as the Basic Wage disappeared.

Changes over the next two decades were much more negative. To fulfil the neoliberal desire to cut taxes, payments became more tightly means tested. The more complex demands to assess incomes for the increased range of family and other payments led to much more complex systems which in turn increased the need for expensive, bureaucratic controls. These changes meant the system became much too hard to understand, and it became difficult to assess its effects overall or on individual decisions to add earned income. The rise of the effective marginal tax rate, the combination of tax and withdrawal rates, became serious disincentives for second income earners, particularly in households with coupled income earners. These affected the lower income women earners, who were often discouraged from moving in and out of paid work, as their net incomes were badly affected by extra hours. The talk of reform was mainly designed to cut entitlements and increase the pressure on people to seek paid work.

The Howard Government's so-called 'reforms' were clearly focused on pushing recipients from welfare to work, and introduced many obligations to job seek under the heading of 'mutual obligation'. The moves against any entitlements to payment became less mutual and more punitive. These reinforced the failure to seriously recognise the value of unpaid contributions except for the Baby Bonus, a now defunct attempt by Howard to avoid committing to paid parental leave for 'working' mothers.

However, his brief defence of stay at home parenthood was undermined by his sole parent changes, targeting parents who were formerly allowed to decide whether they wanted to combine paid and unpaid work and, if so, for how many hours, until their child left school. The McClure/Howard changes boasted about taking away sole parents' right to choose whether or not to seek paid employment once their

youngest child turned six. Under these changes, they were transferred to a lower payment once their child turned eight, to add to the pressure to find a paid job.

New claimants were put on the new regime from 2006 but, in 2013, the ALP, in a strange example of bipartisanship, added in the more than 100,000 sole parents who had been on the payment in that year but had been 'grandfathered'. Now almost all sole parents of primary aged children are forced to look for paid work and are soon forced onto Newstart, resulting in most of them being pushed further into poverty.² Those who have jobs had income cuts and have to work minimum hours per week or look for more work. People with disabilities, deemed to be able to work part time, have also been pushed into lower payments and active job seeking, further creating stigmatised poor. Stigma was clearly pushed as useful by government.

There are signs of further but different policies which undermine the rights of income welfare recipients. These involve imposing extra controls over the recipients of income supports, and appeared first as the introduction of Income Management (2007) as part of the NT Intervention by the Howard Government. This version removed recipients' control over 50% of their income by restricting where it was spent and what on in more than 70 Indigenous communities that were labelled as needing an emergency intervention. This was claimed to be a remedy for assumed child abuse and other violence in the communities, by regulating cash spent on alcohol, etc.

The inclusion of all Indigenous income recipients set up the need in 2007 to suspend the Racial Discrimination Act. This reinforced the racist nature of the changes, as no evidence was given to back the changes, just an assumption that all communities needed to be controlled, which further stigmatised Indigenous people on welfare. The incoming ALP government continued the changes, despite no evidence of their effectiveness. In order to remove the suspension of the Racial Discrimination Act, they added NT non-Indigenous recipients. The BasicsCard now applies to all welfare recipients and has also been trialled in some other so called test sites. Despite the lack of evidence of their effectiveness, these experiments in tighter welfare controls have slipped under the radar of public policy debates because the big indigenous component is seen as the main target and principles ignored.

These changes reflect earlier Indigenous battles for proper pay and access to welfare payments, which also started from racist assumptions about Indigenous need for paternalistic controls. These policies continue the long term assimilation mind set of mainstream policy making that imposes conventional paid work validation as the aim for Indigenous employment. Future plans looks more grim as the piloting of the Healthy Welfare Card suggests even tighter controls over money and behaviour are likely to expand. This current variation of the BasicsCard model, by Andrew 'Twiggy' Forrest, combines 80% control over access to cash with behavioural monitoring and is being widely promoted by the current government ministers involved, Christian Porter and Alan Tudge, despite the lack of evidence of either card's effectiveness per se.³

2 ACOSS/Social Policy Research Centre, *Poverty in Australia*, 2016, <http://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf>

3 Bray, Rob, *Income Management Evaluations—What do we now know? Placing the findings of the evaluation of new income management in the Northern Territory in context*, Working Paper 111/2016, Centre for Aboriginal Economic Policy Research, ANU, <http://caepr.anu.edu.au/>

They are also promoting their 'insurance' model of more statistics used to predict and presumably control welfare dependent behaviour, signs of further attempts to force white macho 'discipline' on the not employed so they too can add to GDP by being infantilised. The net results of the current attitudes and future interests of both the current government and opposition suggest that those on welfare payments will face further controls, and futile forms of activity that won't deal with declining jobs and opportunities to earn.⁴

Costs and future benefits of changing the current system

The above examples of history and recent changes do not suggest that good reforms of the current welfare payments system are possible. Rather, the evidence of both damage done by the current payment systems and the costs of the current combination of stigma and over-bureaucratised activities, means we need a radical overhaul to create more equitable and civil societies. The introduction of a Universal Basic Income can become the basis for welfare reform and other equity-based better outcomes.

By liberating people from the need to earn their basic expenses through paid work, we can open up many possibilities of creating better functioning societies. By recognising the value of unpaid contributions already made and encouraging their expansion, there can be more gender equity, social wellbeing and validation of diversity of lifestyle choices.

Publications/WP/2016WP111.php

- 4 Hewett, Jennifer, "Christian Porter Takes on Welfare Reform For Real", *Australian Financial Review*, September 20, 2016, <http://www.afr.com/opinion/columnists/christian-porter-takes-on-welfare-reform-for-real-20160920-grkihg>

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Reducing paid work hours may increase per hour productivity, as shorter hours tend to be more productive. Importantly, by recognising its value, it will free people to take on and/or expand unpaid roles. It would allow isolated communities to set up activities to meet needs that are neither paid for by government nor by formal businesses.

People need policies that allow them to find and choose activities that suit their capacities and desires, without having to seek non-existent jobs. They need a secure base from which to argue for adequate remuneration and conditions, should they be in a position to take on paid work. The following proposal is for a complete shift away from current systems that tie us to the old industrial assumptions towards recognising and sharing the benefits of technological change, environmental protection and social sharing and care, as well as increasing our capacities to both be productive and share resources fairly.

While the long-term scheme should be universal, it would be more feasible to start by targeting current welfare recipients and reforming the current payment system to make it non-income tested, just taxed. The costs would be lower, the effects visible and hopefully show feasibility to expand eligibility to all over a decade. The following sections offer a timetable and staged process that would allow the development of a complex scheme to be appropriately planned and developed, as well as demonstrating feasibility and benefits.

Outputs and outcomes

The effects of a well-designed Universal Basic Income would put the quality of our social lives clearly on the political agenda. It would allow people to redirect some of their energies to unpaid roles, encourage creativity, enterprise and goodwill. The availability of a UBI would complement and balance the current limited materialist market model's sole focus on traded goods and traded time use, targeting individualised wealth creation. Across the community, people would have real ability to give time to what really matters to them. The payments would acknowledge the nation's commitment to its citizens and encourage reciprocal responsibilities.

The potential effect such changes could make are:

Good outcomes

- they should create time for better social relations;
- they may reduce expected hours of paid work;
- they avoid stigma, labeling and social exclusion of welfare categorisation;
- they should reduce financial dependency in relationships;
- they can increase gender equality and equity if men cut their paid working hours and take on more family roles and caring time;

- everyone would have more time for people, relationships, etc;
- they could encourage creativity, trying new ideas, inventing, making, growing for exchange as well as sale;
- they should encourage socially valuable, but non-commercial activities, eg creativity, ceremony, companionship, care.

Risks to be considered and addressed

- could be used to cut pay rates per hour;
- could lead to cuts in services or more user pays if cashed out;
- could create sloth, boredom and disconnection for those not in paid work;
- could undermine the unions' push for retaining and improving paid work conditions and security;
- could impose uniformity and enable removal of targeted additional payments such as mobility allowances which reflect extra costs of living.

In sum: revaluing time fairly to add social wellbeing to our future goals

Time use surveys show that generally much less than half our days are spent in paid work. Other productive and essential tasks and roles, as well as our obligations and relational roles, fill up much of the rest of the time. Leisure time, however defined, has been confined to what is not paid, unpaid activities and sleep. Marx's divide of the day into eight hours paid work, eight hours sleep and eight hours leisure overlooked household labour, etc, in a very sexist assumption, too often repeated!

Gross Domestic Product reflects the same divide by omitting tasks performed by families, most subsistence agriculture, voluntary community engagement, communal ceremonies, and other usually unpaid activities. The focus on growing GDP and emphasis on activities that are easily economically measurable has undermined efforts to put these useful social and communal roles on public policy agendas, despite evidence they badly need recognition as crucial to wider wellbeing and more civil futures.

Correcting these omissions is therefore both necessary and feasible in the context of present shifting views of what matters. We face a paradigm shift as the neoliberal market dominance fails to deliver acceptable outcomes to voters and further technological changes limit the need for human labour to produce marketable goods and services. Add in the need to cut production and consumption to reduce stress on the environment, and the evidence suggests we should offer policies that cut the dependence on paid work income, recognise the value of unpaid contributions, and encourage activities that take up time but do not necessarily use power or other environmentally sensitive ingredients.

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Collectively, we can do much more than individually, and even markets depend on trust and relationships as well as financial exchanges.

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In a post-industrial future, we need to revisit and recognise the various other forms of social interactions and exchanges that contribute to productive, pleasant lives but are not part of what is currently defined as economic. By reassigning the way we distribute the financial tokens and substitutes we now depend on, we can free people from the need for long working hours to meet essential bills. A core Basic Income for all would offer some security to those who use their unpaid time to be socially useful, creative, friendly, communally productive and caring.

Offering a Basic Income adequate to cover frugal decent standards of living has been shown in pilots not to reduce desire for paid work. Most recipients continued in paid work, or found some forms of it, and felt good because they had more choices of what they did and for how long they did it. The choices may include more time with young children, growing and preparing food for self and others, being with those who needed support and or company, and helping neighbours and local land care groups.

Such a payment would also solve the problems for those in remote areas or on their country, where there was much to be done but no mechanism for payments. While this has a particular relevance for Indigenous people and communities, other rural people who are also finding their livelihood disappearing could welcome it too. People could decide how much time they wanted to spend on what, including local production, traditional roles such as caring for country, ceremonies and tasks of caring for others.

Humans are social beings, interdependent and aware of mutuality and reciprocity as part of meeting our basic needs. Collectively, we can do much more than individually, and even markets depend on trust and relationships as well as financial exchanges. The introduction of money as a major mode of defining relationships, by mixes of time and skill in most cases is relatively recent.

Politically, a shift to universal payments gives everyone something to lose, so there is likely to be more support, once established, for adequate payments and reasonable conditions. The Nordic model suggests this is what legitimates higher taxes.

Brought together, it is clear that a Universal Basic Income, if implemented appropriately, could help address historic gender, race and material inequities.

Post Script

The following proposed Schedule for introducing the idea of a Universal Basic Income system is included as an example of a way of starting with welfare reforms which could almost be self-funding in the first few years, particularly if super tax concessions were cut out. It is included as a discussion point on practicalities, not as an actual proposal.

Starting points via welfare system reform

Stage 1:

- set up a plan for replacing current social security payments with a set level basic income payment that recognises the need for adequacy and dignity, including the age pension;
- widen access so it is essentially available to those who do not have access to other forms of income for whatever reasons;
- address wider vertical and horizontal equity issues—ie standard payments that include extra costs of children, costs of disabilities, mobility;
- assume that universalised payments would be taxed but not income tested so people are not affected by high effective marginal taxes if they earn more;
- offer income support for those who want to make social and creative contributions;
- recognise the right of all recipients to control their income support payment, unless court orders are in place for case management reasons;
- pay a universal payment to all Aboriginal people as rent, and ensure they can afford to stay on country, if they wish;
- retain all current public and community service funding and eligibilities.

The basic payment, based on an agreed % of the minimum wage, could initially be paid to the following groups at limited extra costs:

- sole parents with dependent children under 16 to replace parenting allowance and Newstart;
- those with disabilities that reduce their capacity to manage paid work;
- all Indigenous people to pay the rent and recognise the ongoing costs of history, trauma, racism and other social and personal costs (maybe with 20% loading to compensate for colonisation);
- all Age and DSP recipients (remove all superannuation tax concessions to fund);
- all on Carer Payment;
- all unemployed people over 50.
- all on special benefits (eg refugees)

Stage 2 (after three years):

- all remaining welfare/income support recipients;
- low income earners up to the median wage;
- increase the scope over time to include average income earners;
- add any non earning partners who have not already been included.

Stage 3, the rest ... (after five years):

- add in all remaining residents.

Basic income makes basic sense for remote Indigenous Australia

The employment situation in remote Indigenous Australia is a disaster. Even the optimistic spin peddled by the Turnbull government's latest annual Closing the Gap report delivered in early 2016¹ notes that only three in ten Indigenous adults in remote Australia are in work resulting in high welfare dependence, poverty and in some situations social dysfunction associated with inactivity. For many young people who experience even higher levels of unemployment, there is a deep sense of anomie and hopelessness about future prospects.

The Productivity Commission, in its recent performance assessment of the National Indigenous Reform Agreement,² highlights that Indigenous employment outcomes deteriorate with remoteness. For example, the gap in the employment to population ratio between Indigenous and non-Indigenous Australians was more than 38 percentage points in remote and very remote areas compared with 28 percentage points across the population as a whole.

There are two paradoxes and one worrying reality embedded in this disparity.

First, for working-age non-Indigenous Australians living in remote areas, employment rates are higher than in major population centres. This is partly because these people move to remote Australia for work, often at mines and on an almost expeditionary, sometimes fly-in, fly-out, basis.

1 Australian Government, *Closing the Gap Prime Minister's Report 2016*. Canberra: Department of Prime Minister and Cabinet, 2016, p28.

2 Productivity Commission, *National Indigenous Reform Agreement: Performance assessment 2013–14*. Canberra: Productivity Commission, 2015.



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Research at the Australian National University. Jon has a background in economics and anthropology and over many years has been a tireless advocate for the need for critical, grounded and independent academic research to have influence on issues pertaining to indigenous economic justice in Australia and elsewhere. Much of his research has focused on land rights and native title, alternate forms of economy, and the rights of indigenous peoples to live on their ancestral lands. Much of his field research since 1979 has focused on the west Arnhem Land region in the Northern Territory.

Second, more and more of remote Australia is coming under some form of Indigenous land title under land rights and native title laws. The Productivity Commission notes that attachment to country is important from a cultural perspective; it is not surprising that when people get their ancestral lands back they want to live on or near them. But the number and range of available mainstream employment opportunities in remote Australia are limited.

The worrying reality is that this situation is likely to get worse rather than better. The Productivity Commission notes geographic influences, structural employment changes and the effects of the business cycle as emerging challenges, but fails to highlight the role that automated intelligence and robots will play in reducing employment possibilities. This is despite rhetoric from government about 'Developing the North' and the possibility of trickle down employment and business benefits that historically have had minimal impact on Indigenous circumstances.

Such challenges are not new for Indigenous people in these areas. Since colonisation and the destruction of the hunter-gatherer mode of production, Indigenous people in remote Australia have faced constant livelihood challenges. These challenges were exacerbated by centralisation associated with the establishment of missions and government settlements; colonial and mission authorities kept people busy but attempts to establish any productive economy based on market capitalism failed. And in many cases Indigenous labour was engaged but often at below award or no pay. This all changed from the late 1960s with citizenship and notional equality; now people needed to be paid for their labour at award rates or else be entitled to receive welfare. Unemployment rates soared, and remote communities faced a labour surplus crisis.



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In the late 1970s and with the intellectual guidance of HC Coombs, a new approach was piloted to address this employment deficit: the Community Development Employment Projects scheme, or CDEP. This was an innovative program that saw notional welfare entitlements pooled to provide funds to pay people for part-time work. The scheme began in 1977 and by the time it reached its peak in 2004 it had expanded to total over 35,000 participants, primarily in remote Australia, and 265 administering community councils or organisations.

In 1987, I was commissioned by the Australian Council of Employment and Training to canvass options for providing cash to the smallest and remotest Indigenous communities, called outstations or homelands.³

Using the Canadian Cree Income Security Program as a model, I recommended the establishment of a Guaranteed Minimum Income for Outstations program (a form of Basic Income) and a Capital Fund for Subsistence (a form of Stakeholder Grants). My own research undertaken while living at an outstation in Arnhem Land in 1979 and 1980, and literature search of the available Australian evidence, indicated that people at outstations were generally active in self-provisioning, but lacked access to cash income. The social democratic welfare system designed for people assumed to be temporarily unemployed was not a suitable policy instrument to address these unusual post-colonial circumstances where there were no mainstream labour markets.

While my recommendations were never seriously considered by the Hawke government, during the following decade a similar approach was developed on the quiet by some CDEP organisations. CDEP was refigured to distinguish its application in a variety of ways including to pay for part-time employment, as originally intended, but also to provide basic income support to people living at homelands without any labour markets.

CDEP worked well as a Basic Income in such situations because people were not defined as unemployed and so were not 'activity tested' by social security officials; and importantly, any additional income that they earned was not income tested and so they did not experience the disincentive effects of the social security taper—extra income earned did not result in the reduction of Basic Income from CDEP. And those receiving CDEP as Basic Income were trusted to pursue productive activity in market and non-market activity, inside and outside the home, uninterrupted by the constant surveillance of the state and its agents.

CDEP had a number of other features that made it popular with Indigenous people. First, participants in the scheme were classified as employed not unemployed. Second, it was community organisations who decided what constituted work and how myriad versions of the 'no work, no pay' rule would be applied. Third, all formal work undertaken under CDEP was at award rates. Finally, community control and the linking of administrative and capital resourcing on a formula basis gave CDEP organisations a degree of political power, autonomy, flexibility, and enhanced capacity.

3 Altman, JC and Taylor, L, *The economic viability of Aboriginal outstations and homelands*. Canberra: Australian Government Publishing Service, 1989.

From 1996, with the election of the Howard government, CDEP increasingly came under discursive assault; it was demeaned as being no different from welfare and, like welfare, seen as playing a part in the perceived dysfunction of Indigenous communities. From 2005, after the abolition of the Aboriginal and Torres Strait Islander Commission that administered the program, CDEP was incrementally dismantled over a decade, first in more settled regions and then in remote Australia. The ideologically-laden economic rationalist reasons for abolishing CDEP were that it promoted inactivity, it was a 'comfort zone' that prevented people taking on mainstream jobs (real or imagined), and that it provided a means to avoid labour migration, including to available work in mining during the boom times.

This dismantling occurred during a time when policy-making was supposedly based on evidence. A considerable body of evidence was provided to the government to show the value of CDEP as social investment. Let me provide two examples from my own research.

In November 2003, I was invited to present my views on development alternatives to the now disbanded Ministerial Council on Aboriginal and Torres Strait Islander Affairs. In this presentation I used empirical data from the west Arnhem Land region in the Northern Territory to illustrate how, with minimal state-provided income support, Kuninjku people living there in the most remote and difficult circumstances were able to engage with market capitalism through arts production; were able to partially self-provision with bush foods; and were making contributions to biodiversity conservation and carbon abatement through their land and resource management activities. CDEP as Basic Income was generating productive and income generating possibilities in both the market and customary sectors of local economies in what I termed a hybrid or plural economy. With reference to the hybrid economy, I suggested that "[by] looking to maximise participation in all sectors, without getting too caught up in policy rhetoric about economic independence or equality, development outcomes that match Indigenous aspirations with state policy goals, can be achieved".⁴

Early in 2005, with two academic colleagues, I used official statistics to demonstrate that CDEP has positive economic, social and community development impacts. To summarise briefly, people on CDEP were afforded the opportunity to work more hours and earn extra income than the unemployed. They were also able to participate in more fishing or hunting and in more ceremonies and community activities than either the mainstream employed or the unemployed.⁵ The data analysed came from the National Aboriginal and Torres Strait Islander Social Survey undertaken by the ABS in 2002 and covered all of remote Australia not just one region.

4 Altman, JC, *Economic Development and Participation for Remote Indigenous Communities: Best Practice, Evident Barriers, and Innovative Solutions in the Hybrid Economy*, CAEPR Topical Issue 4/2004. Canberra: Centre for Aboriginal Economic Policy Research, the ANU, p6.

5 Altman, JC, Gray, M and Levitus, R, *Policy issues for the Community Development Employment Projects scheme in rural and remote Australia*, CAEPR Discussion Paper 271/2005. Canberra: Centre for Aboriginal Economic Policy Research, the ANU.

Despite such evidence of relative success, CDEP was incrementally 'reformed' to extinction and replaced by the Remote Jobs and Communities Program (RJCP) in 2013. Then, from 1 July 2015, RJCP was cunningly rebadged the Community Development Programme (or CDP) in an attempt to cash in on the relative popularity of the previous scheme: CDEP and CDP are difficult to pronounce differently, especially in Aboriginal English.

Both RJCP and CDP are fundamentally different from CDEP. They were designed first and foremost as employment programs for situations where there is little formal employment and, as noted above, prospects look grim. Even so, the 35,000 participants in CDP are all living in remote Australia and almost all Indigenous are classified as unemployed. If aged 18–49 years, they are required to work, up to 25 hours a week, five hours a day, five days a week, for a Newstart payment at hourly rates of 'pay' that are well below minimum awards, as in colonial times. The only incentive to participate in what is defined by the government as 'work-like' menial activity that mimics 'real' work (increasingly described by Aboriginal people as 'bullshit jobs') is the threat of being punished for not turning up for such work or basic training. The punishment meted out is called 'breaching' and it carries financial penalties that leave participants destitute and dependent on family.

Indication from recently published job seeker compliance information compiled by Lisa Fowkes⁶ is that CDP participants are copping more and more financial penalties for non-compliance at many times the rate for the unemployed in more settled regions. For example, for the first two quarters of 2016, penalties for 35,000 participants exceeded 16,000 per month; during the first year of CDP, over 125,000 No Show No Pay penalties were applied to participants. In terms of gaps, CDP penalties outstripped those for *jobactive* (the employment service for mainly non-Indigenous unemployed in urban and regional centres) participants, even though they account for only 5% of the number in *jobactive*. The chances of being breached are 20 times higher under CDP. People are being impoverished by a discriminatory program whose supposed objective is to get them into work.

All of this suggests that Indigenous employment policy, much of which is just paternalistic welfare looking to discipline remote living Indigenous people, is in disarray. The Australian government wants to close employment gaps but has merely managed to shift people from CDEP work onto work for the dole welfare; and its policies are further impoverishing and marginalising many in remote Australia.

The challenges in remote Australia are twofold: market capitalism is not working for Indigenous people because it is largely absent; and government programs are not working because their institutional design is erroneously looking to replicate a form of market capitalism in remote Australia that has historically worked in non-remote Australia but that even there is now shedding labour. The Australian state and its apparatus are pursuing ideologically-constructed utopian ideals of employment parity that will never be attained.

⁶ Fowkes, L, Impact of CDP on income support of participants. In K Jordan and I Fowkes (compilers) *Job creation and income support in remote Indigenous Australia: Moving forward with a better system*. Canberra: Centre for Aboriginal Economic Policy Research, the ANU, 2016.

Under these circumstances, a new Basic Income scheme has the potential to deliver remote living Indigenous people forms of alternative economy, where there is little mainstream opportunity and no intention to migrate. CDEP as Basic Income has been empirically demonstrated as able to productively support livelihood activity, especially where market, state and customary (or non-market) opportunity can be creatively mixed.

It is unfortunate that many of the community-controlled organisations that successfully delivered CDEP have now been shattered and depoliticised as part of the 'reform' strategy of successive federal governments over the past decade. Some of these institutions of Indigenous Australia took years to build up the capacity needed to support productive activity by their community members in extremely difficult circumstances. It is likely that it will take years again for appropriate institutional strengthening to evolve to facilitate productive livelihoods for remote living people, many living on their ancestral lands, many delivering important ecological services and carbon abatement to the nation.

Basic Income has been a successful mechanism for supporting ways of economic life valued by remote-living Indigenous people in the past and could do so again in the future. With time, Basic Income might be adopted in more densely populated regions and by non-Indigenous Australians. The marginal cost of such a scheme will be negligible; its potential to close all sorts of gaps significant. Neoliberal governmentality paradoxically favours very orthodox imagined solutions to complex issues of remote development where diverse unorthodoxy is urgently required.

The time has come, as employment gaps for Indigenous Australians grow, to trial Basic Income as an alternative 'social investment' approach and to objectively evaluate the outcomes⁷—if such evidence-based policy making remains possible in today's hyper-politicised policy environment where ideology seems to be the key factor in any assessment. I suspect that, in any objectively-assessed competition of policy approaches for remote Indigenous Australia, a Basic Income scheme will win out easily—a far superior approach to the current neo-paternalism CDP masquerading as a work-creation program that is destructive and deeply impoverishing already impoverished people. Basic Income is an alternative worthy of serious consideration.

7 Altman, JC, Basic income for remote Indigenous Australians: prospects for a livelihood approach in neoliberal times. In J Mays, G Marston and J Tomlinson (eds) *Basic income in Australia and New Zealand: Perspectives from the neoliberal frontier*. Basingstoke: Palgrave Mcmillan, 2016.

The environmental impacts of a UBI and a shorter working week

Introduction

A major policy and political challenge in the 21st century concerns how to create conditions for human flourishing within the ecological limits of a finite planet. Meeting this challenge requires the social and economic dimensions of public policy to be integrated with the environmental dimension so that moves towards a greener economy do not exacerbate income inequalities and social injustice. Steering this course will also require significant changes to how we think about work and welfare. As Naomi Klein puts it in her recent book on the need for a transition from one economic order to another in the face of climate change: "... it is counterproductive to force people to work in jobs that simply fuel unsustainable consumption".¹ While some amount of climate change is inevitable, the amount of warming is very much under our control. It is for this reason that we need to look at what sort of social policies will enable a successful transition to a low-carbon economy.

The measures needed to secure a just and equitable transition away from fossil fuels and 'dirty jobs' clashes with our reigning economic and social policy orthodoxy in Australia. At present there is very little coordination between social policy, environmental targets, and economic policy, which makes it difficult to see how Australia will make a successful transition to a low-carbon economy, despite the expansion of the renewable energy sector over the past decade.² This is because climate change is a human problem, not one that can simply be fixed by technological innovation. In its recent discussion paper, the World Health Organization succinctly summarised the significance of the social dimensions of climate change:

1 Klein, N., *This Changes Everything: Capitalism vs. the Climate*, Penguin Books, London, 2014, p94.

2 Garnaut, R., *The Climate Change Review*, 2011. Retrieved from <http://www.garnautreview.org.au/update-2011/garnaut-review-2011.html>



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The current climate change discourse—including the way mitigation and adaptation measures are designed and appraised—tends to emphasize environmental, economic or technological inputs and costs. The social dimensions of climate change are not well understood or addressed. As a result, current policy responses may not fully address the negative impacts nor do they take full advantage of potential opportunities to reach a number of sustainable development goals.³

Acknowledging the limitations of economic growth raises fundamental philosophical questions about what constitutes a 'good life'. What is clear is that we must implement radical policy change if we are to have any hope of addressing climate change and growing economic insecurity and uncertainty associated with automation and technological unemployment. Tinkering around the edges will not be enough. This short paper examines some of the arguments for introducing a universal basic income alongside a shorter working week as one suite of possible responses to recreate the conditions for the 'good life' under conditions of sustainable prosperity.

Welfare states, jobs and growth

The welfare states of the developed world flourished in the second half of the 20th century under conditions of rising revenues to fund social programs, based on exporting emissions and expanding imports from low-wage countries. Rapid growth, driven by expanding consumption, was the dominant economic model. This model worked well enough until rising unemployment hit many developed economies in the early to mid-1970s. The response by national governments at the time was to deal with growing unemployment by speeding up the rate of growth.

However, we have known for a long time that a high rate of growth is neither desirable nor sustainable in human and environmental terms. So why don't we change our ways? In part, high carbon lives have come to be embedded in social institutions and dominant cultural patterns, supported by social and economic policies (such as the dominance of energy intensive suburban living in many cities around the world). The separation of environmental sustainability and welfare sustainability into distinct policy areas also reduces the capacity to effectively respond to new risks and uncertainties. This compartmental policy context has meant that social-welfare dynamics, which are crucial to the realisation of a low-carbon future, have been neglected and underplayed in mainstream climate change debates.

Politically, there is a real sense here of policymakers struggling with competing goals, without the benefit of clear leadership to create policy synergies and open the way for economic models that can provide conditions for sustainable prosperity. This problem is neatly encapsulated by Jackson's conception of the 'conflicted state':

3 World Health Organization, *Climate Change and Health: Resolution of 61st World Health Assembly*, World Health Organization, Geneva, 2011, p3.

On the one hand government is bound to the pursuit of economic growth. On the other, it finds itself having to intervene to protect the common good from the incursions of the market. The state itself is deeply conflicted, striving on the one hand to encourage consumer freedoms that lead to growth and on the other to protect social goods and defend ecological limits.⁴

Identifying policy synergies and promoting more radical policy change is an increasingly important task if genuinely sustainable human development is to be realised. Proposals for shorter working weeks and the UBI are worth examining for their potential to help address the climate change challenge, particularly as the environmental impact of a UBI remains somewhat unclear and untested.

A world of much slower growth, and the call to curb emissions, poses critical questions for social norms and the political economy of 21st century welfare states. In looking to the future we will need to look at the social institution of the welfare state from a new angle—as a potential resource for avoiding some of the more pessimistic future scenarios that are associated with unsustainable high-carbon growth. Social policy can assist the transformation of high carbon economies, both in terms of speed and scale, and in terms of minimising social conflict associated with transitions to a ‘greener economy’. As far back as the 1970s, the economist Herman Daly⁵ argued that the quantitative expansion of the economic system increases environmental and social costs faster than production benefits, making most of us poorer not richer.

4 Jackson, T., *Prosperity without Growth: Economics for a future Planet*, London: Earthscan, 2009, p167.

5 Daly, H. (ed), *Towards a Steady State Economy* W.H Freeman and Company; New York, 1973.



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More recently, important insights are provided from philosophers such as Soper,⁶ who argue that consumer society has already passed a critical point where materialism is now actively detracting from human wellbeing. Psychologists such as Kasser have also produced evidence that people with higher intrinsic (non-or post-materialistic) values are both happier and have higher levels of environmental responsibility than those with extrinsic (materialistic) values.⁷

Transitioning to a low-carbon slow growth economy is not simply a matter of social policy prescription or new economic incentives, but of transforming whole patterns of social life in terms of employment, family, mobility, housing and leisure. It is social systems that need to change in order to bring about a low-carbon society sustained by a 'steady state economy', in which population growth, technological change, and economic growth are all reduced to a more sustainable level.⁸

What is clear is that we are going to organise work differently if we want sustainable economic, social and environmental systems. This conclusion was once seen as economically inevitable, rather than simply socially and environmentally desirable. Leading 20th century economists predicted in the 1930s and 1940s that we would all be working less in the 21st century. John Maynard Keynes proclaimed in 1930 that we would be all engaged in just 15 hours of paid work week by the year 2030, largely as a result of rising standard of living on the back of productivity gains. For a time it seemed he would be proved right. Working hours reduced and leisure time increased in many developed countries up until the 1970s.

However, in the 1980s, this trend started to reverse. Women entered the workforce in greater numbers and leisure time started to decrease for households as men did not reduce their working hours. Part of the explanation for increased labour force participation rates and longer hours is that capital city house prices also climbed in countries like Australia, outstripping wages growth. More than one income became necessary to service the average mortgage. Over the same period, our houses were getting bigger, while family size was becoming smaller. So while our rising national wealth once created more leisure, it was now creating more consumption. Greater stress (being time poor) and uncertainty (economic insecurity) have been the result of these changes, particularly as the pool of secure full-time secure work shrinks and part-time and casual employment increases.

Addressing this problem will require reminding ourselves of some recent history. We have forgotten the lessons from the past that productivity and longer hours do not go hand in hand.⁹ Large global companies like Ford and Kelloggs learned this lesson in the 1950s when they reduced the length of the working week for their employees on the factory floor. The same lesson applies to the knowledge economy. Recent research suggests that someone who is constantly drawing on their creative abilities can be productive for no more than six hours a day.

6 Soper, K. (ed), *The politics and pleasure of consuming differently*, Palgrave Macmillan, London, 2009.

7 Kasser, T., "Intellectual Virtue in Environmental Virtue Ethics." *Environmental Ethics*, 32, 2001, pp339–352.

8 Daly, *supra*, n5.

9 Bregman, R., *Utopia for Realists: The Case for a Universal Basic Income, Open Borders and a 15 Hour Workweek*, *The Correspondent*, 2016.

So what sorts of problems does a shorter working week solve? We would have a greater sense of personal autonomy associated with more discretionary time to do the things we find enjoyable and pleasurable; we would have fewer work related accidents associated with long hours and overtime; and we would have more time to do the unpaid caring work and volunteering that builds social citizenship and solidarity. Reduced working hours could also help in mitigating climate change, as the following section explores in greater detail.

Reduced working hours and environmental impacts

As productivity increased in developed and developing countries, social and political choices were made as to whether the gains should be taken as higher consumption or fewer working hours (based on the assumption that a fair share of these gains flow through to workers). As the previous section has shown, many countries have chosen longer working hours and more consumption.

In Western Europe, there is some evidence that average working hours have been reducing in response to national legislation, while in countries like Australia and the US, working hours have been increasing for the proportion of the workforce with full-time jobs. In fact, a recent OECD report found that 15% of Australians are working for more than 50 hours per week, compared with the OECD average of 9%. Excessive work and pressure have become status symbols. At the same time, poorer citizens are working longer on lower wages, when they can find the hours. We have a paradox of overemployment and underemployment. What is needed is a radical redistribution of working hours for human and environmental health.

There are some claims that a worldwide shift to a shorter working week over the course of this century could almost half the carbon dioxide emitted into the atmosphere, depending on the baseline scenario for each country.¹⁰ In countries with high levels of income inequality, it will be harder to make the case for a reduction in working hours, given the impact on economic livelihoods at the bottom end of the income scale (hence the need for an adequate basic income to work in tandem with a reduction in working hours). Overall, despite a complex relationship between the different variables, including population growth, it does seem that the path to consuming less may start with working less.¹¹

If we have shorter hours, we will have more time for leisure. What we do with our time is something we all need to consider, both collectively and individually. Will Australians be more likely to use leisure time shopping and buying cheap imported consumer goods? Or will we instead use discretionary time for enjoying the natural environment, reading, getting involved in local politics or participating in cultural events? These kinds of questions get to the heart of what is sometimes called 'genuine leisure' versus commodified leisure and recreation, which are forms of leisure that rely on market-provided goods and leisure that ultimately enable the reproduction of capitalism.¹²

10 Rosnick, D., *Reduced Work Hours as a Means of Slowing Climate Change*, Centre for Economic and Policy Research, 2013, <http://www.cepr.net/documents/publications/climate-change-workshare-2013-02.pdf>

11 Bregman, *supra*, no9.

12 Agger, B., *Fast capitalism: A Critical Theory of Significance*, University of Illinois, Illinois, 1989.



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Using leisure time wisely will ultimately justify whether the reduction in working hours pays off for people and the planet. As action was taken in the 20th century to reduce working hours, there were plenty of scaremongers amongst employers and governments who predicted that more leisure would result in more household debt, higher crime rates and social deviance. This dystopian vision did not transpire, which should give us some confidence about a workless (but not worthless) future as we contemplate the arguments for shortening the working week.¹³

The combination of redistributing working hours and introducing a UBI will allow people to work out their optimal paid working hours, leaving time for the other things that matter, which will hopefully include enjoying and caring for the environment. However, the relationship between greater economic security and greater environmental stewardship remains untested.

UBI and environmental impacts

Arguments for a universal basic income can be based on different sets of normative assumptions, such as enabling greater personal freedom, fulfilling state obligations for social citizenship through fairer redistribution of resources, or creating the conditions for ecological sustainability. This latter argument is given less attention in academic debates about the merits of a universal basic income.¹⁴ However, the crisis presented by climate change, combined with concern about growing technological unemployment, is a powerful force in breaking down established economic and social policy ‘path dependencies’.

¹³ Dunlop, T., *Why the Future is Workless*, Newsouth Publishing, Sydney, 2016.

¹⁴ Marston, G., “Greening the Australian Welfare State: Can Basic Income Play a Role?”, in Mays, J., Marston, G. and Tomlinson, J., (eds), *Basic Income in Australia and New Zealand*, Palgrave MacMillan, Basingstoke, 2016.

In line with the hypothesis that it will ultimately be necessary to limit transnational and global inequalities in wealth and income in order to reach an 'Earth-wide steady state economy', Andersson proposes the successive generalisation of a universal basic income from the already rich countries to a global scheme.¹⁵ The first step will be establishing the benefits of national schemes in wealthy countries, a number of which are presently being trialled in places like Canada, the Netherlands and Finland, following successful trials in India.

There are three main ways that a universal basic income may promote climate change mitigation and adaptation. First, an adequate universal basic income will reduce income inequality, which has a positive flow on effect for the environment. Reducing income inequality seems to help promote pro-environmental values. Breznau's analysis of survey data from five countries showed that those with egalitarian values are the most likely to support government services designed to reduce inequality.¹⁶ Conversely, those who support "economic individualism" are the least likely to favour such a role for government. Such attitudes also appear to affect support for pro-environmental behaviours and expenditures. Generally speaking, those who hold pro-market/individualist worldviews do not endorse pro-environmental values and behaviours; the reverse holds true for people who maintain pro-environmental values.¹⁷

Second, a universal basic income can change the power relationship between capital and labour, putting more power in the hands of employees. To use the language of incentives, which is so often levelled at income support recipients, employers have little extrinsic motivation or economic incentives to deliver desirable jobs and working conditions when an army of income support recipients are being forced to accept whatever paid work is offered, regardless of its quality, duration, or whether it is a job that is harmful to the environment. In short, what is required is institutionalising new conceptions of wellbeing, as well as new relationships between individuals and paid work that rely less on driving people into undesirable jobs.¹⁸ In the interests of moving beyond outmoded welfare state economics, serious consideration needs to be given to de-coupling income support and economic security from labour market policies. A UBI will increase people's appetite for risk and new forms of income generation may become possible, in part enabled by new information and communication technologies. People may seek self-employment opportunities, for example, which they can do from home.

Third, a universal basic income will change people's movement in cities where the bulk of the population live and where it is estimated that more than 60% of carbon emissions are generated by transport and housing. We might see less reliance on the daily commute from the urban fringe to the city centre to work during the week, and on the weekends people may also rely less on travelling to shopping malls to spend

15 Andersson, J.-O., Basic Income from an Ecological Perspective, *Basic Income Studies* 4(2): 1–8, p6.

16 Cited by Haupt, J. and Lawrence, C. (2012) *Unexpected connections: Income inequality and environmental degradation*, available <http://www.shapingtomorrowworld.org/hauptinequality.html>

17 Heath, Y and Gifford, R., Free market ideology and environmental degradation: The case of belief in global climate change. *Environment and Behaviour*, 38(1), 48–71; Steg, L. and Sievers, I., Cultural theory and individual perceptions of environmental risks, *Environment and Behaviour*, 32(2), 250–269.

18 Standing, G., *The Precariat: The New Dangerous Class*, Bloomsbury Press, London, 2011.

their disposable income on a mix of necessities and luxuries alike. Planning laws and regulations will need to be modified to create an alternative vision of the city and the town. Planners, politicians and citizens would need to collaborate in the redesign of urban and rural centres, with energy requirements and lifestyles being more local and smaller in scale.¹⁹

What this brief discussion shows is that questions of identity, culture and lifestyle are as important as political economy in successfully transitioning to a low-carbon society. Ultimately the incorporation of environmental interests, including climate change mitigation, will require a much more active state or 'a return to planning'²⁰ to set goals and targets, manage risks, re-align prices through taxation, and regulate externalities otherwise neglected by business interests. Especially in circumstances of financial crisis, economic recovery is seen to demand public investment, and this should be targeted towards energy security and low-carbon infrastructures into the future.

Daly and Farly²¹ suggest two main principles of macro-economic reforms that respect ecological limits: firstly, the rate of extraction of non-renewable resources should not exceed the rate of creation of non-renewable substitutes; and secondly, waste emissions should not exceed the environment's capacity to assimilate them. Achieving these goals requires an active state to set collective limits on resource extraction, to set targets for renewable energy production, and to move towards greater synergy in economic, social and environmental policy so that demand for energy and goods can also be reduced.

19 Urry, J., *Climate Change and Society*, MPG Books, Cornwall, 2011.

20 Giddens, A., *The Politics of Climate Change*, Polity, Cambridge, 2009.

21 Cited by Koch, M. (2013) Welfare After Growth: Theoretical Discussion and Policy Implications, *International Journal of Social Quality*, 3(1), pp 4–20.



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... people may also rely less on travelling to shopping malls to spend their disposable income on a mix of necessities and luxuries alike
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Conclusion

A redesigned welfare state in advanced economies, with universal basic income as a core institutional feature, can potentially assist the transformation of high carbon economies into sustainable societies, both in terms of speed and scale, and in terms of minimising social conflict associated with economic and social transitions to a 'greener economy'. Combined with robotics and automation, we are facing a perfect storm of events where the result, if not systemically addressed, will be structural unemployment, growing inequality and mass environmental degradation. A viable alternative to this fate is the introduction of a UBI and a shorter working week.

As outlined here, a universal basic income would have the benefit of addressing economic insecurity and reducing reliance on industries that harm the environment during the transition to a new economy, under slow growth conditions. The Australian welfare state, like that which exists in other developed countries, needs to be refurbished so that it can meet a different set of economic conditions in the 21st century, under which economic insecurity, human induced climate change and income inequality are posing real threats to the social order.

Participatory and deliberative modes of governance will have a significant role to play in terms of securing public support for these new welfare paradigms and the legitimisation of integrated policy solutions. If institutionalised correctly, deliberative forums can encourage preference transformation in ways that are sympathetic to environmental goals. As Guy Standing argues, a universal basic income may also 'thicken' democracy as it enables people to have more time for getting involved in issues that affect them and their community.²²

These reconfigurations of time, work and leisure will necessarily reimagine new forms of citizenship, a form of citizenship that is less territorial in terms of civic and ecological value, given the global dimension to the climate change challenge. Other positive spin offs include reducing reliance on the fragile geopolitics of fossil fuel energy supply by incentivising the creation of more paid jobs in the expanding 'green sector' of the economy, while publicly valuing other forms of work (such as unpaid care work and volunteering, both of which are mainly done by women at present). Whatever specific social policy reforms are debated and adopted in the future, the justification for 'welfare' will need to be reframed in terms of human security and genuine sustainability, rather than facilitating labour market participation at whatever personal and environmental cost.

22 Standing, *supra*, n18.



What if ... [we] built systems, institutions and cultures in which less paid work could lead to greater equity, reinvigorated democracy and civil society, better environmental outcomes, and a more caring, creative, connected community?