

Where basic income fits in the future of work – and why it matters to business

Discussion around universal basic income – an unconditional cash payment given to all citizens regardless of wealth – has been framed in the context of the increasing automation of work. But it's the global pandemic that has shown the feasibility of a basic income approach. Charles Barthold explains what a basic income is, why the circumstances are right to test it now and why business should be involved in the debate



THE GREAT WORK RESET

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Transcription

So basic income is a periodic cash payment, which is unconditional and delivered to everyone on an individual basis. So the important thing is that it's universal, so anyone would get it. So poor people, rich people, it doesn't matter, and it's not means tested.

Basic income and automation

If you think that automation is coming and that most of the economy will become automated, then the question becomes how do you deal with that?

Because it means that unemployment is going to stay so we need a solution for that. So basic income can be a really good solution because it would enable people to retrain and adapt to an economy in which their jobs have been automated. Because with the income they get from basic income, they will have time to learn new skills, to learn a new job and then become employable in a knowledge intensive economy with lots of AI. That's one version.

Another version is more pessimistic would be to say if there are going to be fewer jobs anyway. So, okay, some people are going to be able to retrain and find new jobs. That's fine. But more importantly perhaps, through basic income a lot of people who will never work again will be able to live to have a good life, or to be able to live normally. So those are the debates connecting automation, AI and basic income.

The thing is that recently with two things, the development of caring jobs and we've seen that with COVID – like hospitals and so on – that we need a lot of jobs that are about dealing with people and having interactions, human interactions, with people, and you cannot really automate that. So this is why now some people are being more critical about this idea of automation.

And the second thing is the whole debate around moving towards a green economy. A green economy would involve a lot of investment in infrastructure and energy transition with lots of solar panels, lots of wind turbines. So we would need many, many workers, many, many people working to do that. Of course, there will be also some industrial processes that can be automated, but also people working in those.

Also, and perhaps more strikingly, there is a whole discourse in connection to the green economy with this notion of relocation and having more authentic and less problematic forms of work for the environment.

Impact of COVID: basic income is affordable

What COVID has shown very importantly is that a lot of the discussions around the fact that basic income is not feasible because it's too expensive and that basic income is not a good thing because it will disincentivise people from working, that it will not encourage people from working and that it will push them towards, you know, negative social activities, which goes back to, in fact, a theological and moral argument around the fact that work would make people better and more ethical. So, well, COVID has shown that this is not the case.

So I'm going to start with the economic one and then the moral one. So the economic one we've seen that basically we can do it economically, that perhaps half of the economy was furloughed in a country like the UK and the country could afford it. So it's possible to fund large scale programmes. So basic income becomes something that becomes realistic either through a direct state intervention, as was done with furloughing, or some people have discussed economic theories that would enable larger state intervention.

Then, in terms of the moral argument, we've seen that furloughing has worked. So if people stop working for some time or are doing other things or perhaps engaging in hybrid work, it's not a problem. They don't become unethical subjects somehow. No, we've seen that it can be achieved. So that also goes back to the moral argument of basic income, it shows that empirically it doesn't seem to be a problem.

And the last point that I would add is that also we've seen that a lot of people are refusing to go back to work now. For example, in hospitality and restaurants and so on with quasi basic income programmes like 'helicopter money' in the US for example, where everyone would receive a cheque from the government.

So it shows that something like basic income would have a practical impact on the economy and the labour market, because other people were just sceptical that it would change anything.

Why is it important for organisations?

So if we are going towards a world in which lots of jobs are really going to be automated – and this is a strong possibility as many economists still think it will be the case – then it is in the interest of organisations to make sure this transition takes place smoothly. They don't want to be in a situation where you can have a social crisis or you have massive levels of unemployment. This needs to be managed in a rational way. So if this is the case, then it's in the interests of businesses and organisations to manage that transition. And therefore basic income becomes something sensible to do.

Also, it's in the interest of many organisations and of the economy, and so most organisations therefore, to have more innovation – and basic income can help with that. So from that perspective, it would be something positive for them also.

What of course is a challenge from the perspective of corporations or organisations is how to fund it. So if more taxes have to be raised to fund basic

income this would be a challenge for corporations and organisations, even though I must add that this is another discussion – who needs to pay for it. It would not necessarily be corporations or organisations. The money could be raised differently through taxing resources that are not linked to organisations, but this is, I would say, separate.

How likely is it that basic income will be implemented?

So some variations of basic income, which are not really basic income but clearly look like basic income, already exist. So you have Alaska. So every citizen of Alaska receives a cheque from the Government. Helicopter money in the US was another example, which is very close. In Italy they have a citizens income, which is not the basic income, it's means tested, but it's not very far away. So you have a number of things around.

I would say the debate is not going to disappear. So it's a real possibility out there. And now we know that it's possible to fund it. The question mark is politicisation around it to push for it. We will see, but I would say it's not absolutely unlikely it happens. There will be pushes towards it. There will be push back also. I would say it's on the agenda and we will see what happens. I hope we go in this direction because it would be beneficial, in fact, for most stakeholders in our society.

[Dr Charles Barthold](#) is a senior lecturer at The Open University and a member of the [Research into Employment, Empowerment and Futures \(REEF\)](#) academic centre of excellence in The Open University Business School. Charles employs a variety approaches to organisation studies and leadership in relation to contemporary economic, environmental and social issues. He is interested to study how organisations and leadership reproduce power relations. The work of Charles has been published in leading journals and he has published a book published a book *Resisting Financialization* with Deleuze and Guattari. This interview is part of the [Great Work Reset](#) series created by The People Space in partnership with The Open University Business School