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# Universal Basic Income

Transitional Program or Capitalist Stopgap against  
Social Revolution?

Michael Stauch

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I wanted to share some thoughts I've been having recently about the idea of a "Universal Basic Income" or UBI that has become an important topic of discussion in the US recently.

This January, a Silicon Valley venture capitalist firm called Y Combinator issued a "Request for Research" to explore the idea of a guaranteed income.<sup>1</sup> In the proposal, the firm requests applications from researchers interested in examining what happens when you give a set of people a basic income for a five-year period. The underlying assumption is that they want to know if people will blow free money on heroin, basically.

Paul Graham, founder of Y Combinator and its "philosopher king" according to the Awl, summarized his interest in the problem of income inequality in an essay called "Economic Inequality": "when I hear people saying that economic inequality is bad and should be eliminated, I feel rather like a wild animal overhearing a conversation between hunters."<sup>2</sup>

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<sup>1</sup> [blog.ycombinator.com](http://blog.ycombinator.com)

<sup>2</sup> [theawl.com](http://theawl.com)

After facing criticism for saying this, Graham removed this language in an updated version of the text.<sup>3</sup> The essay is a gripping read. Graham begins by acknowledging himself as a “manufacturer of income inequality” and “an expert on how to increase income inequality.” Graham strikes me as an important, articulate figure explaining how contemporary robber barons in the early 21<sup>st</sup> century understand the capitalist system.

So UBI is an idea that’s floating around and it’s no surprise that it’s coming from an economic sector, venture capitalists, who make money by investing in companies which are exploring ways to eliminate jobs on an enormous scale. The idea is emerging at the outset of what bourgeois economists are calling “Industry 4.0.”<sup>4</sup> This fourth industrial revolution (after mechanization, water/steam power; mass production, the assembly line, and electricity, and computers and automation) will involve cyber-physical systems, the “Internet of things” and cloud computing, according to its contemporary prophets. But in addition to the enormous profits capitalists hope to make from this transformation in the foundations of the contemporary economy, they are also recognizing the political problems it might produce, in particular the very real possibility of substantial increases in unemployment as new technology enables companies to eliminate jobs once previously considered untouchable.

Truck driving is an important example of how this transformation might take place. Auto companies, as I’m sure everyone knows, are actively pursuing partnerships with Silicon Valley in order to bring computers into cars. In spite of all evidence of the problems of global warming from carbon-based fuel con-

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<sup>3</sup> paulgraham.com ; paulgraham.com

<sup>4</sup> en.wikipedia.org

sumption, these companies are actively pursuing self-driving cars.<sup>5678</sup>

The problem with this technology, which relates to truck driving, is that driverless technology is actually extremely expensive. Recently, a company called Otto launched with a view toward migrating the technology for driverless cars to trucks. In an interview I heard on the radio, one of its founders noted the expense associated with driverless technology, something like \$50,000. For a consumer vehicle, such technology would effectively more than double the cost of a car. But for a semi-truck, that might only add an additional 33% to a truck that would otherwise cost \$150,000 or so. The article cites the public health risk that trucks pose — they account for 5.6 percent of miles driven while causing 9.5 percent of the country’s accidents. The article also notes that driverless technology could allow drivers to nap, allowing the trucks to stop less frequently. But the article also notes that there are over 4 million trucks on the road, transporting over 70 percent of the country’s cargo. Let’s face it: there is a real chance that some ambitious trucking companies will seek to eliminate jobs by implementing this technology. Even that modification — sleeping and never stopping — would eliminate jobs. Initially developed as a palliative to long, lone commutes by individual workers, driverless technology can be almost seamlessly converted into an engine of massive job loss.<sup>910</sup>

So what is at stake with a Universal Basic Income is that capitalists are recognizing the potential to automate through “Industry 4.0” and want to pursue it. But they also recognize the enormous social dislocations automation on this scale would

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<sup>5</sup> [www.freep.com](http://www.freep.com)

<sup>6</sup> [fortune.com](http://fortune.com)

<sup>7</sup> [www.seattletimes.com](http://www.seattletimes.com)

<sup>8</sup> [www.brookings.edu](http://www.brookings.edu)

<sup>9</sup> [www.cnbc.com](http://www.cnbc.com)

<sup>10</sup> [medium.com](http://medium.com)

unleash. And, as Graham says, they would like to not be hunted in the streets and eaten.

The left, as ever, is divided into thousands of competing camps on this issue. One *Jacobin* article distinguishes between a “livable basic income” (LBI) and a “non-livable basic income” (NLBI), arguing that a UBI would need to be established on a level “high enough to eliminate the need to work for a wage.”<sup>11</sup> I’m not convinced by this, and it also seems, in the context of this article, to support the *Jacobin*’s interest in reviving not so much a basic income but *full employment*. The Endnotes collective has criticized this approach as the “primary contradiction” of the labor movement, that is, “that the generalization of one form of domination was seen as the key to overcoming all domination.”<sup>12</sup> Or, more pithily, “Everyone is being proletarianized, and so, to achieve communism, we must proletarianize everyone!”

This approach, Endnotes claims, understands the factory “as the foundation of socialism, not as the material embodiment of abstract domination.” Endnotes demurs on providing strategic guidelines, however, and that vacuum ends up being filled by thinkers like Nick Snick and Alex Williams, authors of *Inventing the Future: Postcapitalism and a World Without Work* and the #Accelerate manifesto. The latter argues for unleashing “latent productive forces” in technology that a capitalism economic system holds in check.<sup>13</sup> The manifesto suggests that technology has no politics, basically, and the authors want to explore its expansion as a way of creating an alternative to capitalism. I’m not entirely convinced, however, that this technological accelerationism won’t ultimately result in a Matrix-style scenario in which the working class basically functions

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<sup>11</sup> [www.jacobinmag.com](http://www.jacobinmag.com)

<sup>12</sup> [endnotes.org.uk](http://endnotes.org.uk)

<sup>13</sup> [criticallegalthinking.com](http://criticallegalthinking.com)

as batteries fueling a “clean” or environmental future for a few capitalists.

Anyway, I hope this provides some basis for future discussion on another important aspect of contemporary transformations in capitalism, alongside our discussion of the emerging “green” economy.