

## SOCIETY AND TECHNOLOGY

## Money for Nothing

By John Thornhill  
and Ralph Atkins

Switzerland's traditionally conservative electorate will next month vote on the superficially preposterous idea of handing out an unconditional basic income of CHF30,000 (USD30,275) a year to every citizen, regardless of work, wealth or their social contribution.

Opinion polls suggest the June 5 referendum will be heavily defeated. And even if some kind of electoral convulsion results in the proposal being unexpectedly approved by voters, it is certain to be shot down by the 26 cantons that would have to implement it.

But the fact that one of the world's most prosperous countries is holding such a vote highlights how a centuries-old dream of radical thinkers is seeping into the political mainstream. In countries as diverse as Brazil, Canada, Finland, the Netherlands and India, local and national governments are experimenting with the idea of introducing some form of basic income as they struggle to overhaul inefficient welfare states and manage the social disruption caused by technological change.

Daniel Hani, a chirpy Basel entrepreneur who is one of the Swiss initiative's main supporters, said modern welfare states provide basic social support but are failing to adapt to the needs and values of our times. The trouble is that they are too costly and cumbersome, assume that a citizen's worth is determined solely by their value as an employee and rely on means testing by an overly intrusive state.

"Our social system is 150 years old and is based on Bismarck's response to Industrialisation 1.0," he said. "Our idea is simple. We want to render the conditional unconditional. UBI is about shifting power back to the citizen."

The idea of providing



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SWISS ENTREPRENEUR

money for nothing to all citizens dates back centuries and was nurtured by a radical cult before resurfacing in recent times. In the 20th century it was championed by thinkers on the left, such as John Kenneth Galbraith and Martin Luther King, as a means of promoting social justice and equal op-

portunity. But it was also backed by some libertarians and economists on the right, including Milton Friedman, as a way of restricting the coercive state and restoring individual choice and freedom.

Incredible as it seems today, President Richard Nixon came very close to implementing a negative

income tax (a variant of basic income) across the U.S. in 1970. Nixon's initiative, part of his Family Assistance Plan, was strongly backed by the House of Representatives but failed in the Senate, where some Democrats considered it unambitious, and several Republicans considered it too bold.

Interest in the idea has surged in recent years largely thanks to the technological revolution, which is convulsing labour markets worldwide. The decoupling in many countries of median household income growth from expansion in gross domestic product has created a sense of middle class crisis, fueling anger over inequality and the rise of populism in the U.S. and

Europe. Whether it is because of a sense of guilt at the upheavals they are causing in society or simply a celebration of innovative thinking, some Silicon Valley entrepreneurs have taken to the idea of a universal basic income, describing it as a “digital dividend.”

At a conference in Zurich this month on technological disruption and social change, a succession of speakers from the US warned about further turmoil in the jobs market resulting from the automation of routine tasks, the application of machine learning and the rise of robots.

Citing just one of many examples, Andy Stern, the former president of the Service Employees Inter-

national Union, said the introduction of self-driving trucks and cars would eliminate millions of jobs. At present, there are about 3.5 million truck drivers in the U.S., forming the largest job category in 29 states. “There is the potential for the greatest disruption of jobs in the history of the world,” said Mr Stern, author of *Raising the Floor*, a forthcoming book advocating UBI as a partial solution.

Erik Brynjolfsson, an MIT professor and co-author of *The Second Machine Age*, said a convulsive “tech surge” was under way that was rapidly turning the promise of science fiction into a reality. But he insisted that technology remained the tool of humans and could