

Greater solidarity and freedom – so “No” to a Basic Income!

Many supporters of an unconditional basic income see this as an important step towards creating more room for solidarity and freedom. Here are two arguments why this is not the case.

Fionn Meier, March 2016

“Liberating of Switzerland” – this is the title – written in gold letters against a shiny white background – of a small book that would like to point the way for a better future in Switzerland.¹ The catchphrase of this book is: unconditional basic income. Everyone should unconditionally receive an income from the state. This is supposed to give each person a life with dignity, without the need to work. Everyone would then be free to pursue an activity that corresponds to his or her innermost desires. According to this idea, a free and vibrant cultural life would develop, interest in one’s fellow human beings would grow and a society based on solidarity would come about. Swiss democracy, in which – in the manner of William Tell – the Swiss, as fighters for freedom, would finally be freed from the yolk of the obligation to work! This is, at least, the message of this little book, which puts across the view of many proponents of a basic income. But is it really the case?

There is no doubt that greater solidarity and freedom are ideals worth pursuing. Despite all the progress made in the natural sciences and technology, our society still has a lot of to learn in this area. Ethical impulses of former times have lost their effect. Many people have developed narcissism, which, in some cases, is already taking on almost autistic dimensions. People are only interested in themselves, their appearance, their feelings and ideas. People are taking the needs of others less and less into account – a development that is supported in no small part by the widely held notion today that the economy works best when everyone only looks out for himself.

Furthermore, in today’s society marked by the Industrial Revolution and financial markets, there is little room for individuality to be expressed. Most work is mechanical and monotonous and, through the continuous expansion of the financial markets, the scope for freedom of entrepreneurs has been reduced. Entrepreneurs must increasingly adapt to the demands of financial markets to pursue profit only, and are less and less able to follow their own intuitions. The consequence of this is that both employees and employers are increasingly losing the capacity to operate under their own initiative, only doing what the system requires of them.

Passivity and narcissism. It really is no exaggeration to say that these two words describe today’s society. Basic income promises to provide a way out: by giving everyone an unconditional income, we will learn to think of other people, too, and to act in solidarity towards them. Above all, having a secure income would give us an opportunity to leave passivity behind, and teach us to use our freedom (and how to assume personal responsibility). To this view, we counter with: Two Times No!

First. Solidarity cannot be prescribed by law. Each of us has to want it – over and over again. It means taking into consideration the needs of others in addition to our own. For example: if when buying a product we only took into account our own needs, we would pay the lowest possible price. We would act selfishly, and, if circumstances allowed, give the producer less than he needed to lead a decent life. If, however, the purchaser recognised the dependence of the producer on him, and then decided, each time a purchase was made, to pay a price such that the producer could lead a decent life until the latter had made the next product to sell, the purchaser would leave behind his selfish point of view. He would look after his own needs as well as those of the producer, for whose satisfaction he would know he was jointly responsible.² The economics of the division of labour would then appear to him to be the ideal environment in which to exercise solidarity each and every day.

The crucial importance of the individual feeling of responsibility towards fellow human beings was recognised by Wilhelm von Humboldt. In his book, “The Limits of State Action”, he wrote the following: “As each individual abandons himself to the solicitous aid of the State, so, and still more, he abandons to it the fate of his fellow-citizens. This weakens sympathy and renders mutual assistance inactive: or, at least, the reciprocal interchange of services and benefits will be most likely to flourish at its liveliest, where the feeling is most acute that such assistance is the only thing to rely upon; and experience teaches us that oppressed classes of the community which are, as it were, overlooked by the government, are always bound together by the closest ties.”³ What is being argued here is, essentially, the importance of an economy based on division of labour for developing a renewed sense of humanity. The more division of labour progresses, the more people depend on each other. The mutual dependency, and the shared responsibility that ensues from that, – to which people could awaken, reviving the impulse for individual solidarity – would be undermined if an unconditional basic income were introduced: others already have what they need, so it is not up to me to do anything.

Second. Freedom is not a matter of income, but of capital. We need income to satisfy our physical and psychological needs. The mutual assurance of these needs being satisfied is not a matter of freedom, but of solidarity. Freedom exists when we can put our individual ideas and abilities to work. Income is not the deciding factor for this; it is free access to the necessary capital. This is what is actually crucial for developing greater freedom.

Free use by entrepreneurs of the capital at their disposal has become increasingly rare because of the manner in which funding is usually obtained nowadays. An entrepreneur usually works with capital provided by shareholders. In our current legal system adopted from the Romans, those who provide the capital determine how it is used. The entrepreneur’s hands are tied. Even though he is the one who is connected to the capital by his ideas and abilities, he cannot do what he wants with that capital. He has to work for the interests of the investors, who usually have no interest in the actual company, only in the profit it can generate. In order to give people with ideas and abilities more room for manoeuvre and personal responsibility, ways and means need to be found to distinguish the use of capital from its possession. For example, a new form of stock company, whereby – through legal and financial innovation – the ultimate decision on the use of capital is transferred from the investors to the entrepreneurs, from the providers to the users of capital.

This could happen, for example, if the majority shareholding were vouchsafed to a small association, whose main role at the Annual General Meeting would be to attest to and affirm the initiative of the entrepreneur. This change would separate use of capital from ownership, thereby giving entrepreneurs the ability to implement and take responsibility for their ideas and abilities. It would then be the entrepreneur and not the investor who would make decisions on the life and the development of a company organised in such a manner. Moves in this direction are now necessary in order to open up a space where initiative and responsibility can occur – allowing us to move on from a society that otherwise is increasingly run for solely business interests of the financial markets.⁴

The idea of a basic income fails to acknowledge the two actual paths along which greater freedom and solidarity unfold, and only offers the semblance of a solution. And therein lies its danger. Instead of developing the impetus for an economy based on division of labour, in order to expand solidarity, based on active individual concern for the needs of fellow citizens, a mechanism is put in place. Everyone has their bread, regardless of the conduct of others. Furthermore, a basic income degrades the idea of freedom to a matter of income. But without the corresponding free disposal of capital, the presupposed freedom is barely more than a game. You think you are active and have initiative, but the rules and the direction, like in a game, are given from outside, in this case by the capital markets. A semblance of solidarity and of freedom is created, which is highly likely to prevent people from seeking out ways to work towards real solidarity and freedom. A

basic income is, therefore, not better than “nothing”; rather, it is a Fata Morgana of progress that is being placed before our society as a pretext, but which in reality would just reinforce the existing situation. Instead of facing actual challenges, developing real individual solidarity and challenging the Roman notion of capital, we end up with *Panem et Circenses*.

Translated by Peter Moss and Christopher Houghton Budd

¹ Müller, C. and Straub, D. (2012) *Die Befreiung der Schweiz*. Zürich: Limmat Verlag

² The idea of setting prices according to the *future* needs of the producer originally comes from the philosopher and economist, Rudolf Steiner (1861-1925). He described the price in terms of “true price”, which he formulated as follows: “A true price results when individuals receive, as counter-value for the products they have made, sufficient recompense to enable them to satisfy the whole of their needs, including of course the needs of their dependents, until they will again have completed a like product” (1922 course on economics, lecture 6).

³ Humboldt, W. (1969) *Limits of State Action*. New York: Cambridge University Press. p. 26.

⁴ Attempts have already been made to set up companies of this kind. An example is the hotel and farm complex, L’Aubier, founded in 1979 in Montezillon, near Neuchâtel.