Book Review

Give People Money: How a Universal Basic Income Would End Poverty, Revolutionize Work, and Remake the World

By Annie Lowrey

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'Give People Money' is Annie Lowrey's contribution to the rapidly growing literature on the increasingly popular idea that the state should provide a minimum income for every citizen, without any conditions attached. Lowrey gives the perspective of a seasoned policy analyst and economic journalist. This gives the book a focused and practical appeal. Readers in pursuit of a more tendentious approach might prefer William and Srnicek's *Inventing the Future: Postcapitalism and a World Without Work* (2015), or Peter Frase's *Four Futures: Life After Capitalism* (2016). Where *Give People Money* excels is as a carefully constructed and persuasive argument for Universal Basic Income (UBI) as a practical solution to the timely problems of precarious employment, poverty, and socioeconomic injustice. Anyone seeking to understand what UBI is, why it's gaining the support of prominent public figures, and why it might be our future would benefit from reading Lowrey's book.

Readers familiar with the concept of UBI have most likely been introduced to the idea in the context of the threat posed by technological unemployment. In a 2013 study by Oxford University it was predicted that 47% of the US workforce could be automated by 2034. The issue was further publicised by highly-readable bestsellers like Andrew McAfee and Erik Brynjolfsson's *The Second Machine Age* (2014), and Martin Ford's *Rise of the Robots* (2015). According to these books the acceleration of digital technologies and artificial intelligence threatens large swathes of the population with economic redundancy. If nearly half of all jobs disappear in the advanced economies, the resulting upheaval would make the Great Recession look mild by comparison. Anecdotally, the exchange between Henry Ford II and union leader Walter Reuther on the automation paradox illuminates the potential outcomes:

Henry Ford II: Hey Walter, how are you going to collect union dues from all these machines?

Walter Reuther: How are you going to get them to buy your cars?

In the event of the rapid automation of a sizeable chunk of the labour market, the loss of earned income from employment would translate into lower consumer spending, resulting in a generalised crisis of capitalism. It is in this hypothetical context that UBI has been suggested, both as a means of compensating losers, and providing the needed income to prop up aggregate demand. Proximity to the digital revolution has made Silicon Valley a hot-bed of support for UBI – a number of tech-billionaires such as Elon Musk, Mark Zuckerberg, Peter Thiel, Marc Andreessen and Bill Gates have declared their support for the idea.

Interestingly Lowrey, unlike UBI proponents Paul Mason and Nick Srnicek, prefers not to base her contention on hypothesised scenarios of mass technological unemployment. In her exploration of UBI Lowrey calmly dismantles pessimistic projections of a workless future. She reminds the reader that this is not the first time that 'wolf!' has been called over the impending robot apocalypse. At the start of the industrial revolution textile workers, led by the apocryphal Ned Ludd, smashed machines which threatened their livelihoods. In the midst of the Great Depression the now-forgotten Technocracy movement gained millions of followers for its futuristic post-scarcity plan based on full automation, leisure and basic income. In the 1960s the rise of cybernetics and robots provoked further anxiety. Public figures like Martin Luther King and members of the Johnson administration identified automation as a critical threat. Each time commentators believed that 'this time would be different'. These predictions have been consistently confounded by rising incomes and

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labour participation rates. Lowrey suggests that in practice the introduction of new technologies tends to create employment in new industries as old ones die off, making technological change a form of what Joseph Schumpeter labelled 'creative destruction'.

Cold water is poured on the idea that we are living in a 'Third Industrial Revolution' which is poised to transform our way of life. If we really are in the middle of labour-saving revolution, as some authors suggest, then one would expect to see productivity rates skyrocket as we produce more stuff with less man-hours. In fact productivity has been relatively stagnant for decades, leading economist Robert Solow to remark that 'you can see the computer age everywhere but in the productivity statistics.' Furthermore the return to unemployment levels of around 4% in the UK and USA suggests that the economy is capable of continuing to fabricate more jobs than are lost through the process of disruptive innovation.

Lowrey is shrewd not to base her argument for UBI on speculation about the hypothetical consequences of future developments in Artificial Intelligence. Instead she argues that UBI is necessitated by undeniable existing problems. The essential premise of *Give People Money* is that some form of unconditional and universally inclusive provision of income is the best means of tackling three major issues: declining standards of employment, extreme and relative poverty, and the socioeconomic consequences of patriarchy and racism.

Lowrey accepts that there is a general tendency for new jobs to replace old ones, but she denies new forms of employment are necessarily of better quality. She rehearses the personal stories of hard-working people trapped in precarious underpaid jobs in the developing 'gig-economy', and details the stagnation of incomes and decline in employment standards. In this context Lowrey conceives of UBI as a permanent and universal strike fund which would allow workers to withdraw from the labour market in order to hold out for better conditions. By eliminating the necessity to work a UBI could help boost the share of national income available to labour, helping to reduce or reverse the worrying trend towards increasing inequality.

In addition to boosting the bargaining power of labour and reversing the slow decline in employment standards, Lowrey presents a convincing argument for UBI as a means of tackling poverty. Drawing on

statistical data and heart-wrenching case studies of impoverishment in the developed and developing world, Lowrey highlights the current deficiencies in our approach to welfare. UBI has three major benefits when compared to conventional welfare policies: its simplicity reduces the need for large bureaucracies, its universality eliminates stigma, and because it comes in the form of money rather than goods it allows people to exercise self-determination in meeting their own needs. The idea that UBI is preferable to bureaucratic and intrusive practices of welfare has appealed to libertarian thinkers like Charles Murray and Milton Friedman. Lowrey is sceptical of libertarians who would scrap all existing welfare expenditure and replace it with a UBI, apprehensive that this transition might drive some households even deeper into poverty. As ever in the realm of welfare policy, the devil is in the detail.

Where *Give People Money* is at its most bold and original is in its discussion of how UBI intersects with issues of race and gender, aspects of the debate which are often neglected by other accounts of UBI. Focusing on her own country, the United States, Lowrey describes how structural racism has left black and latino populations holding just 5% of national wealth, despite comprising a third of the total population. UBI, unlike existing social expenditure, would be racially neutral and therefore more socially equitable in its effects. In the context of gender, Lowrey suggests that UBI would help compensate the unpaid and underpaid domestic care-work overwhelmingly performed by women. Drawing on compelling statistics compiled by the OECD, Lowrey informs the reader that unpaid care-work has a value between 15-80% of GDP, and that a UBI would be a relatively minor form of compensation.

Give People Money is a persuasive manifesto for an imaginative and far-reaching idea, conceived in full awareness of the potential difficulties accompanying the implementation of UBI. Three prominent objections are foregrounded: Who would continue to work if all their needs were met by the state, with no strings attached? What impact would a national system of universal payments have on the vexed issue of immigration? How could such a generous welfare system ever be paid for? Lowrey's answers to these questions range from convincing to flimsy. It is undoubtedly true that most people rely on their work for a sense of meaning and satisfaction, and that the majority of us would prefer to work if the al-

ternative was relying on a basic income set just above the poverty line. It is hard to doubt that if a UBI was implemented in any particular nation, it would increase the incentive for people to immigrate to that country, adding to the number of UBI claimants and undermining the affordability of the policy. Lowrey's assertion that immigrant workers would pay more into the system in tax than they would receive in benefits may be true under our current welfare system, but this would be unlikely to hold true if UBI was to be implemented. This implies that progressives may face a difficult choice between commitment to open borders and support for an unconditionally generous welfare system.

Most problematic of all is the issue of how to pay for a national UBI, something Lowrey estimates to cost \$3.9 trillion annually in the American case, a figure which is roughly equivalent to the US federal government's entire expenditure. A number of suggestions are put forward, which include cutting military expenditures (something Lowrey sees as made feasible by the contemporary shift from conventional conflict to less expensive cyberwarfare). Massive tax increases on everything from financial transactions, to carbon, and robots is another candidate, although the economic effects of this are not discussed. It is astutely pointed out that government budgets unlike household budgets can be kept in a state of constant deficit, as the sovereign state always reserves the ability to print money to pay back its debts. The idea of using the printing press to produce money out of thin air may hold some associations with the monetary mismanagement that results in bouts of hyperinflation, as seen in Zimbabwe a decade ago. However the practice of simply manufacturing new money was among the main policy responses of Central Banks in the US and Europe to the financial cri-

sis, a policy dubbed 'quantitative easing' which injected many trillions of dollars in an effort to reflate beleaguered economies. *Give People Money* is full of ideas about costing, but sketchy on the details, perhaps necessarily considering that the enormity of the issue probably demands its own book-length solution.

In the postscript to the book Lowrey acknowledges the more far-fetched arguments made on behalf of UBI, as a kind of capitalist road to communism. Finally, we are called on to imagine, what the world might look like after many decades of exponential technological acceleration. If our mastery over nature finally abolishes the condition of scarcity, then some kind of basic income becomes a logical social adaptation. Such a future would resemble our most optimistic science fiction scenario, like the Star Trek Universe where 'replicator' technology erodes the foundation of paid-employment and the price-system itself by providing all goods at no cost. It seems likely that Lowrey chose to include these speculations in the postscript in order not to dilute the realism of the other chapters.

Like its title, *Give People Money* is punchy, unconventional, and bold. It challenges us to reconsider preconceived notions about the nature of work, as well as our entitlements and responsibilities. It dares us to propose simple solutions to seemingly irresolvable problems. Despite its radical conclusions, Lowrey's line of reasoning prefers the known to the speculative, focussing on case-studies and relevant statistics. Charting a middle-course between idealistic-utopianism, and technocratic pedantry, Lowrey devises a powerful polemic for the ideals of unconditionality, universality and inclusiveness as necessary answers to the most pressing concerns of our time.