

Looking Beyond Nine-to-Fives—Universal Basic Income, AI, and the Future of Jobs

The work landscape has been rapidly changing for the past decade and the last couple of years of the pandemic in particular. A number of jobs that were done manually a decade ago have either been rendered obsolete by advancements in technology or have been replaced by some form of automation. At the same time, a great number of jobs have been created in sectors and markets which did not exist earlier.

The onset of the pandemic saw the “work-from-home” era, economic stimulus checks being handed out, and the “Great Resignation” where a large number of people quit their jobs. This could be seen as a result of the general dissatisfaction people had with their jobs, as well as having sufficient money from stimulus or savings to pursue something more valuable.



A graphic depicting workers quitting their jobs [Source: Vox]

[An academic study](#) conducted on 20,000 employed individuals from 40 different countries found that about 25% of them were unsure about the value of their job in society. With a booming AI industry taking over the private sector by automating common jobs and workers facing unprecedented uncertainties in the job market, the future of jobs and the economy at large seems to be unfolding in an entirely new direction. What, in this scenario, could the next step be for our society? What concepts and ideas are starting to take root in the minds of economists and policymakers all over the world? Degrowth, Universal Basic Income, and the rapid automation of jobs are all revealing themselves to be the pieces of the puzzle that forms the economy.

The Age of Artificial Intelligence

Studies like the one mentioned above go on to show that many working individuals engage in work in fast-paced industries where the contribution of their role to society isn't clear.

On the other hand, when it comes to individuals working in the education, healthcare, and defense sectors, the meaning of and need for their jobs is easily evident to them and to outsiders. Why does this difference exist? The answer is simple: machines cannot recreate human traits. Empathy, creativity, justice: these and many more human values fuel jobs in the public sector. In this case, one can ask: would it be better to hand over the “socially meaningless” jobs in the private sector to robots that can do it much faster and more easily than us? The answer seems to be yes, as many industries are steadily heading towards automating whatever jobs they can.



An infographic depicting the automation potential of various sectors. [Source: Fortune Magazine]

If the private sector is allowed to be fully automated by technological advancements, the future for humans would clearly be in service jobs. These historically underpaid and underappreciated jobs would inevitably gain more value in such a society. Teachers, healthcare workers, sanitation workers, and many others engaging in care work can be paid more than their current wages as the private sector becomes more efficient. This would also lead to the formation of better healthcare and education systems. One significant concept that can act as a tool to achieve these changes is Universal Basic Income. It is described as giving every citizen, whether young or old, rich or poor, a fixed amount of money at regular time intervals (weekly, monthly, or annually) that could be used as desired and without being taxed. It is an idea where each and every working-class individual is given a fixed amount of unconditional cash benefits, irrespective of any social or cultural barriers and qualifications. Proponents of this idea advocate for the same on many grounds, such as an aging population with depleting natural resources and the AI boom

which threatens the loss of many jobs. This concept has been introduced for trials under many guises such as “Negative Income Tax” and “Guaranteed Minimum Income”. But is this idea worth pursuing? Just like any idea that challenges societal norms, Universal Basic Income also comes with its own sets of benefits and pitfalls. However, it is a plan that can prove to be immensely powerful in ending poverty if implemented well.

The Curious Case of a Universal Basic Income

Universal Basic Income, a major idea that can completely change the work landscape, has been tested in various countries such as Finland, Canada, Kenya, and the USA. Answers to questions about the amount and source of this income are subjective and vary by country. There are many obvious advantages as well as some doubts that can only be cleared when the plan is implemented on a nationwide scale.

The idea of a Universal Basic Income, at its very core, is about giving citizens financial freedom. For starters, providing people with the power to afford their basic needs gives them more time to pursue a job or career that is right for them. [A study conducted in Seattle](#), where a thousand families received a basic income, found improvements in the subjects’ physical and mental health and saw that children performed better in school. [Another study conducted in Canada](#), where hundreds of families received a basic income for four years, found that in addition to the results mentioned above, crime rates plummeted and hospitalisations decreased by about 8.8%. Researchers noticed that there was always a small reduction in working hours as well, where people spent this time doing other useful activities, such as young adults pursuing further education and individuals waiting to secure a better job.

Because a UBI tends to be a relatively small amount (such as \$12,000 annually), people remained motivated to work and earn a larger sum. Clearly, the goal of a universal basic income is

to establish a basic, healthy, and dignified living standard for everyone in a society, rather than to encourage people to be dependent on it without doing anything productive.



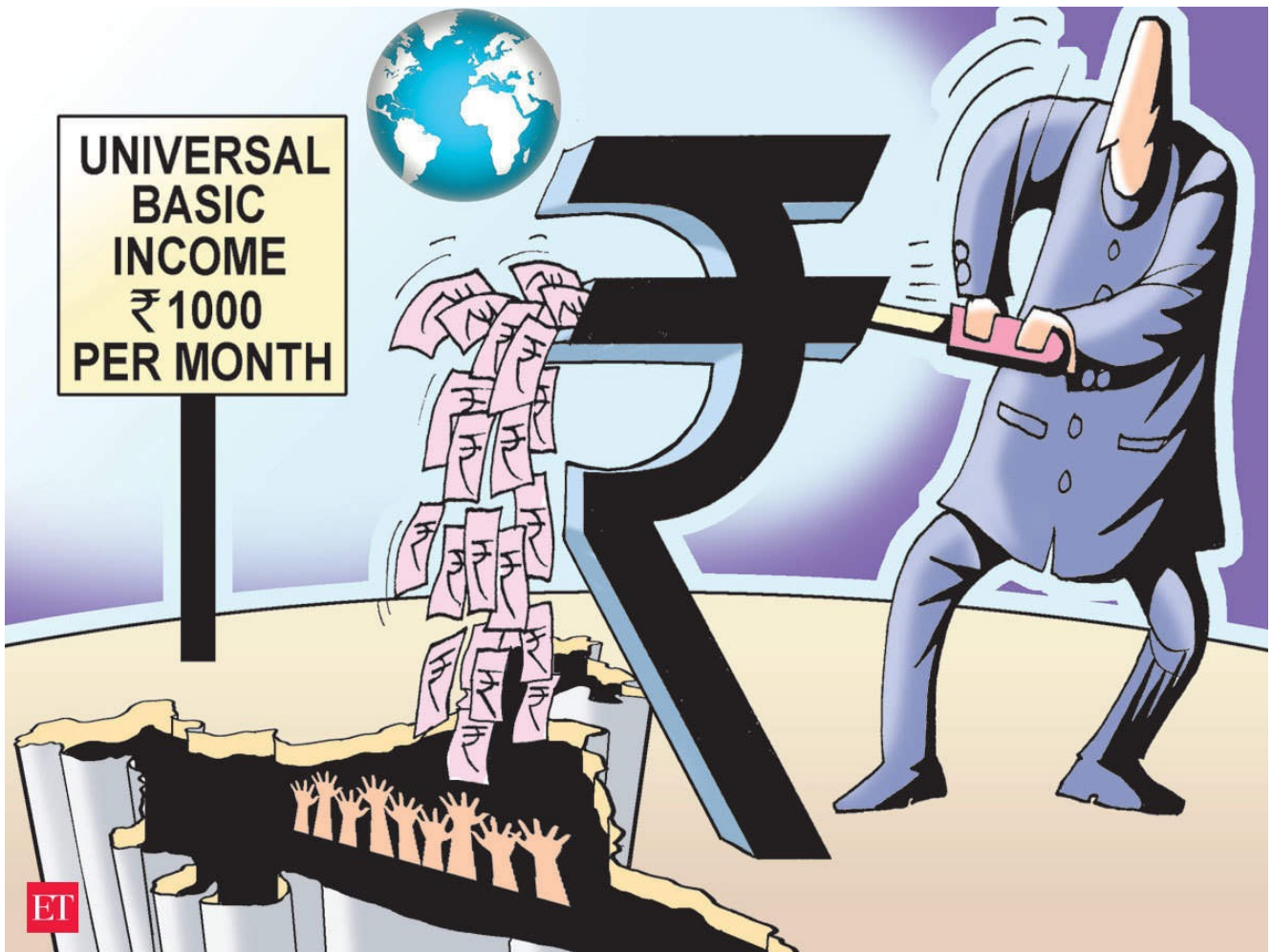
A graphic of a citizen receiving a basic income. [Source: The Conversation]

The main question regarding UBI that still requires careful consideration is: how would we pay for it? It can also be argued that providing a basic income to every citizen does not make much sense, as many earning massive incomes among the upper class do not actually need this financial support. As such, the universality of the concept is questioned by many, even though it helps to eliminate any stigma that may be associated with the reception of this income. Millions of people would have to inevitably contribute towards a UBI by paying more in taxes, leading to inflation in marginal tax rates, and making the implementation of this idea politically

challenging.

Another unfortunate drawback to a nationwide UBI is that it leaves behind lesser monetary assets for government-funded programs, such as a universal health care system, that would still be necessary regardless of the existence of a UBI.

Providing every adult with a basic income that they can use as desired would mean that the working population of a country would reduce to some extent as well. Though the aim of UBI is to provide every citizen with basic funds regardless of gender, religion, caste, and societal status, the presence of immigrants creates special circumstances for governments with respect to eligibility.



A graphic showing the reception of a basic income by Indian citizens. [Source: The Economic Times]

A solution that is proposed to beat all such challenges is

Negative Income Tax, which can be considered as a form of basic income guarantee. Under this system, any individual falling below the poverty line would be unconditionally supported through a basic income. This income would be funded through taxes paid by those above the poverty line, and hence the basic income received by them would be lesser compared to the income received by below-poverty individuals. Through this scheme, protection from poverty would become a fundamental right, and not just a privilege.

Since basic income would keep on decreasing incrementally above the poverty line, people would always be encouraged to keep their jobs and continue working, as well as reap all the benefits of having a basic income. [A study conducted by three US economists](#) has also revealed that a Negative Income Tax based system that eliminates poverty would cost \$336 billion at most—a measly 1% of the GDP of the USA.

Dreaming of Degrowth

The concept of “degrowth” challenges the current socioeconomic belief that a system, such as a country, must keep on growing towards greater economic throughput, often done at the expense of the well-being of its human resources and the rapid depletion of its natural resources. The economic power of a country is largely measured in terms of its GDP—Gross Domestic Product. However, as is evident of late, GDP is hardly an accurate measure of the growth of an economy.

This metric does not consider the welfare of the general population, one of the most important criteria to measure the growth of a country. Metrics like the GPI and ISEW that do measure the welfare of the common man, however, have remained stagnant over the last few decades. This shows that, beyond a certain point, fuelling the economic growth of a country does nothing to improve the well-being of its citizens.



A graphic depicting the rise and eventual slowdown of an economy. [Source: The Economic Times]

Automating routine jobs and using AI to improve efficiency frees the population of a country to capitalise on the traits not possessed by their machine counterparts. Emotional, creative, and care work all require unique human traits not reproducible by technology. A society that focuses on building and supporting jobs that are characterised by these traits is the aim of the Degrowth model.

So how does one go about trying to achieve it? It is here that a UBI is regarded as a useful tool to enable degrowth and restructure an economic system rooted in outdated and inaccurate metrics. With the private sector reaching new levels of efficiency supported by AI and automation, and every adult member of the population having a financial safety net to fall back on, it is possible that modern society could

progress towards something that existed many millennia ago: a society based on [noble leisure](#).

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