



Yanis Varoufakis and Noam Chomsky on guaranteed basic income

Note: The following transcript may not be 100% accurate.

Yanis Varoufakis:

Well, [the] technological revolution that is taking place is threatening us with a unique phenomenon. So far, every time we had technological innovations, they destroyed many jobs, but they created more jobs than they destroyed.

This is the Process which overall had net winners, even though there were many losers. Now there is the first juncture since the 18th century, when it is highly likely that technological innovation is going to destroy a lot more positions for wage labor than it will create. Which, I think, puts us on a course of a major dilemma. There will be a juncture. And we'll have to choose. And we'll have to chose, politically and democratically, between a world, in which the concentration of ownership over the new funded means of production is going to lead to a stagnating capitalism with intense inequality and huge quantity of income for a decreasing, shrinking percentage of the population, that leaves behind barriers, fences, electrified fences in privately policed communities. And the rest in a cesspool of volatility, uncertainty, and social misery.

Let me put it in science fiction terms. This is a parable that I think is quite instructive and I use it often.

We are moving towards a science fiction world that will become non-fiction. But remember, science fiction has two possibilities.

One is a Star Trek society, where we're all equals, and we all benefit from the technology. We don't have to work. There's a hole in the wall, you go to it, you get anything you want from it, nobody has been exploited, nobody has worked for it, the machines do it for you. So the machinery, the technology is humanity's servant. And then we can sit around and explore the universe, we can have philosophical discussions about the meaning of life, which is wonderful, right? That is a good scenario.

But then there's the Matrix too, where the artifacts that we've created enslave us. And then we become caught up in an illusion of freedom, rather than the real thing. Whether we go to a Star Trek or to a Matrix like outcome, as a result of technological innovation, is the result of politics. And if it's not democratic, it will be a Matrix like world.

Or, we're going to move in another direction, where we are going to go post-capitalist, and indeed post social democracy. Social democracy was based on the idea that the working class insures itself through taxation and through national insurance contributions. Remember the reforms in Britain after 1945 in the Attlee government. But if paid work shrinks, democracy must, in order to survive, generate a new model, where the ownership of means of production – to use an old Marxist term – is redistributed, or at least the claims to the income from the means of production is redistributed in such a way as to factually guarantee freedom.

Freedom does not manifest itself in simply saying yes to an offer, because the mafia is very good at making you an offer you can't resist. Freedom manifests itself in being able to say no, and still survive, and still prosper. And then if you say yes, under those circumstances, then it is a genuinely free choice. But this requires a basic income, which is essential for the outside options that bolster freedom.

So the question is, do we consider our community to be an extended family of humanity, or not? Whether this is going to happen through the state, or whether this will happen through a new social market, where, for instance, we all have capital that we inherit. Not just by birth, from a particular parent that has ownership of means of production, but simply be endowed with capital from society, and that capital is utilized in such a way that we are all guaranteed that which Paris Hilton is guaranteed: that is a trust fund that allows her, whatever silly things she does in her life, to have a good life.

I'm not saying that we should all be Paris Hilton, but I believe that every child that gets born should have a minimum trust fund, that allows a child to live in freedom, in dignity, and then to do what they can with their talent if they want more.

You cannot ask a poor country, a country in a great depression like Greece, to provide guaranteed minimum income, when it can't even provide drugs for cancer patients. A rich country like Switzerland has the great opportunity to try out this wonderful experiment.
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Zain Raza (Senior editor acTVism Munich):

In Germany there's a lot of grass roots organization taking place around the concept of a basic income guarantee, whereby citizens receive an unconditional sum of money to cover the basic costs such as rent, food an electricity etc. Could you provide your assessment on this concept of basic income guarantee?

Professor Noam Chomsky:

Actually that's an interesting concept. It comes from the right wing originally. Milton Friedman proposed it for example. From his point of view it was part of an effort to undermine welfare state measures. But it doesn't have to have a reactionary component. It can be interpreted as something progressive. That people have rights. In fact if you read the universal declaration of human rights, 1948, take a look at article 45. It says people have rights to adequate food, nutrition, health, employment, security and so on. Those are minimal rights. Any society ought to guarantee that. Well, you know, one way to guarantee it would be through a socially acceptable form of a basic income. In fact, to an extent that's what so-called welfare states try to provide in a certain way. So, sure, that's something that could be proposed. I mean, I don't think it goes far enough, but as a short-term way of alleviating major problems it's fine. And there are elements in various societies that do provide things like that.

