



Yanis Varoufakis on the Universal Dividend and Basic Income

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acTVism Munich: Will the working class be burdened by a Universal Basic Income and how do you specifically plan to finance this project?

Yanis Varoufakis: DiEM25 is against the idea of a Universal Basic Income that is funded through taxation. Because if you tax workers so that other workers don't work and sit on their couch – and they have a right to do this and watch television whereas others are working for them – this is corrosive politics. It is going to turn one segment of the working class against another. And especially if it's a universal income – the rich get it as well – why should a poor person pay taxes for a rich person to receive additional income to the mountains of money that they already have? So this is why, for instance, DiEM25 disagreed with our friend Benoît Hamon who proposed in the last presidential election in France a Universal Basic Income funded by taxation. But at the moment, we're facing a very serious challenge from technological innovation, from artificial intelligence. When robots, and artificial intelligence-empowered machines more generally, pass the so-called Turing test, that is we reach a stage where you pick up the phone, you call your bank, you call a restaurant to order takeaway and you cannot distinguish from the voice that you hear on the phone whether this is a machine speaking to you or a human being because they sound similar and they do the same job talking to you, then suddenly, you can imagine the impact this is going to have on employment throughout capitalism.

In the 1970s and 80s where the shift of employment from industry to the service sector – to banks, to supermarkets, to restaurants – the moment machines overcome the Turing test, pass it, you're going to have for the first time in the history of capitalism technology destroying a lot more jobs that it is creating. So you're going to have a massive reduction in aggregate demand. This is going to create more deflation forces, income will become even more concentrated in the hands of those who own the machines, but even they will suffer in the long term because the demand will not be there for the product of their machines. So this is something we really need to think very carefully about. It is clear that the returns, the money earned by the machines must be spread out. So we need a Universal Basic Income but not one funded by taxation. We need effectively to take the returns to capital, the returns to automation, and spread them throughout society.

Because let's face it, all these artificial... take your smartphone. Your smartphone, whether it's an Apple, a Samsung, a Sony, whatever it is, most of the technologies in there were provided by public funding. Every time you search on a search engines, you contribute to the capital of that company – Google, Microsoft, whatever they are. So the capital based on which these new products are being created and the robots is socially produced. The capitals who own those companies do not have the right to hold the returns to capital because they did not reduce that capital; it was produced by the state, it was produced by the public, it's crowd-sourced. So we need to socialize the returns to capital and that is not taxation. Effectively, what we are saying is that part of the property rights to the returns of capital, or the property rights of a segment of the returns to capital, must be flowing into a social fund, social welfare fund or wealth fund, from which everybody gets paid a dividend, as if we're shareholders – because we are shareholders in artificial intelligence, or we should be shareholders. This is the fundamental distinction: fund a universal basic dividend – but not from taxation, but from the returns of capital – and that's DiEM25's position.

acTVism Munich: Should people resist technology or welcome it?

Yanis Varoufakis: Ideally, we would live in a world where machines are slaves and do all the terrible jobs that we don't want to do, from taking the rubbish out to accounting – who wants to do accounting? Why should anyone want to do accounting? If your machine can do your accounts for you, you should let the machine do the accounts for you, and you should write poetry, go in a walk, meet with friends, read books... That would be fantastic! That would be an ideal world. But the issue is not whether we should support technology – of course we should; the more technology, the better – but the threat is that because you have private ownership of that technology and highly concentrated ownership which gives immense extractive power to the owners of that technology, you end up with social failure. You end up with a situation where the capacity of youngsters and older people to share in the benefits of the technology disappears and you have huge social conflict and social and economic and macroeconomic failures. Tools are tools. The question is, „How do you use them?“ We need more tools, we need better technology, we need robots to do all the chores for us, but with better socialize them and democratize them.

acTVism Munich: Should we not reform corporations structurally first before implementing a Universal Basic Dividend since it could cement their power even further?

Yanis Varoufakis: If you look carefully at our proposal, we are already doing this, because our proposal, if it goes through, entails a major reform of corporations. A segment of their share is going to be publicly owned; so you effectively have partial socialization of the corporations. This is the first step towards democratizing them. So the Universal Basic Dividend idea, as opposed to the Universal Basic Income idea, is one that incorporates reforming corporations and socializing the returns to capital and automation.

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